



Australian Agricultural Company Limited

ABN 15 010 892 270

ASX Announcement

16 October 2013

Notice under section 708A(12C)(e) of the Corporations Act 2001

This notice is given by Australian Agricultural Company Limited ("**Company**" or "**AACo**") (ASX: AAC) pursuant to section 708A(12C)(e) of the *Corporations Act 2001* (Cth) ("**Corporations Act**") as inserted by ASIC Class Order [CO 10/322].

1 BACKGROUND

On 12 September 2013, the Company announced that it would raise approximately \$299 million through:

- (a) a \$219.2 million fully underwritten 7 for 10 accelerated non-renounceable entitlement offer ("**Entitlement Offer**"); and
- (b) the issue of \$80.0 million of subordinated convertible notes maturing on 30 September 2023 ("**Convertible Notes**"),

(together, the "**Capital Raising**").

As part of the Capital Raising, the Company will today issue 160 Convertible Notes with a principal amount of \$500,000 per Convertible Note to the AA Trust, a revocable discretionary trust established in The Bahamas, which is ultimately controlled by Mr Joseph Lewis (the principal investor and controller of the Tavistock Group) ("**AA Trust**").¹

The Company hereby gives notice that:

- (a) the Convertible Notes will be issued without a disclosure document under Part 6D.2 of the Corporations Act; and
- (b) this notice has been given in accordance with section 708A(12C)(e) of the Corporations Act as inserted by ASIC Class Order [CO 10/322].

¹ The AA Trust was a 13.5% shareholder prior to the announcement of the Capital Raising. Prior to the announcement of the Capital Raising, Southeast Point Limited (an associate of Mr Lewis) transferred its 13.5% shareholding in AACo to the AA Trust. The trustee of the AA Trust is Mr Bryan Ginton.

2 SUMMARY EXPLANATION AND PURPOSE OF THIS NOTICE

This notice is given in accordance with section 708A(12C)(e) of the Corporations Act as inserted by ASIC Class Order [CO 10/322].

The purpose of ASIC Class Order [CO 10/322] is to grant relief from the on-sale restrictions of the Corporations Act so that any ordinary shares issued upon conversion of convertible securities (such as the Convertible Notes) can be on-sold without a prospectus provided that a cleansing notice containing certain prescribed information is provided to ASX at the time the Convertible Notes are issued. This notice is a cleansing notice as contemplated by ASIC Class Order [CO 10/322].

No offer or invitation is made pursuant to this notice for any person to subscribe for or apply to acquire any Convertible Notes or ordinary shares of AACo. You are not required to do anything in response to this notice. Neither the Australian Securities and Investment Commission (“**ASIC**”) or Australian Securities Exchange (“**ASX**”) takes any responsibility for the contents of this notice.

3 EFFECT OF THE ISSUE OF CONVERTIBLE NOTES ON THE COMPANY

The Company has agreed to issue \$80 million of Convertible Notes. The Convertible Notes will be issued to the AA Trust, an existing substantial shareholder of AACo and an investor whom AACo considers to be a professional or sophisticated investor within the meaning of sections 708(8) and 708(11) respectively of the Corporations Act.

The proceeds of the Capital Raising (including the Convertible Notes) will be applied to:

- (a) fund the remaining capital expenditure and working capital requirements associated with the Darwin Abattoir;
- (b) reduce the Company's net debt in order to support a future refinancing of its existing debt facilities; and
- (c) increase its financial flexibility to pursue its vertical integration strategy.

The Convertible Notes will be convertible into ordinary shares of the Company. If converted in full, the Convertible Notes would entitle the holder(s) (“**Noteholder(s)**”) to acquire an aggregate of 69.6 million new ordinary shares in the Company based on the initial conversion price. As at the date of this notice and based on the initial conversion price, this represents approximately 11.6% of the total issued share capital of the Company on a fully-diluted basis (ie including all of the new shares issued under the Entitlement Offer and new shares which would be issued upon full conversion of the Convertible Notes, assuming no other issues of AACo securities and no adjustments to the initial conversion price under the terms of the Convertible Notes). Upon each issue of new shares following conversion of the Convertible Notes, AACo will seek ASX quotation for the shares in accordance with Listing Rule 2.4.

Assuming no other equity issues, no adjustments to the initial conversion price, full conversion of the Convertible Notes and including shares it may acquire as part of the Entitlement Offer, the AA Trust could obtain a maximum shareholding of 29.2% in the Company by converting the Convertible Notes. AA Trust's rights of conversion will be subject to compliance with Part 6.2 of the Corporations Act, and the AA Trust's ability to convert the Convertible Notes will be restricted by these provisions (for example, the AA Trust may need to rely on the “3% creep” rule in section 611 item 9 of the Corporations Act to exercise its conversion rights).

4 RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE NOTES

This section contains a summary of the rights and liabilities as at the date of this document attaching to the Convertible Notes. This summary does not purport to be exhaustive nor to constitute a definitive statement of the rights and liabilities of the Noteholder(s), which can involve complex questions of law arising from the interaction of the AACo Subordinated Notes Deed Poll (including the Conditions of AACo Subordinated Convertible Notes), the Company's constitution, ASX Listing Rules and statutory and common law requirements. In particular, interested persons are directed to read the full copy of the AACo Subordinated Notes Deed Poll (including the Conditions of AACo Subordinated Convertible Notes), attached in final form to this notice as Annexure A (*Full Terms of Convertible Notes*).

A reference in this section to a Condition is a reference to the Conditions of AACo Subordinated Convertible Notes, contained as Schedule 2 (*Conditions of AACo Subordinated Notes*) to the AACo Subordinated Notes Deed Poll.

The following is a summary of the rights and liabilities attaching to the Convertible Notes:

4.1 Face Value

AUD-denominated \$500,000 per Convertible Note.

4.2 Maturity Date

30 September 2023 ("**Maturity Date**").

4.3 Interest

The interest payable by the Company on the Convertible Notes is:

- (a) calculated by reference to a floating rate at AUD-denominated 6-month BBSW plus 0.15% per annum (subject to a minimum floor rate of 3% per annum); and
- (b) payable semi-annually in arrears on each of 31 March and 30 September in each year, commencing on 31 March 2014.

See Condition 3 ("Interest").

4.4 Security and subordination

The Convertible Notes are unsecured and:

- (a) are subordinated to the claims of senior creditors of the Company; but
- (b) rank ahead of ordinary shareholders in the event of a winding-up.

From the issue date of the Convertible Notes until the debt of the Company's senior creditors is fully and finally repaid, the Company may only make payments of interest (or additional tax amounts, if applicable) on the Convertible Notes if there is no formal notice of an "event of default" subsisting under the Company's existing syndicated facilities agreement with senior creditors (or if an "event of default" subsists, the Company has obtained the consent of its senior creditors). During this period, payments of principal are restricted to limited circumstances. Those circumstances include:

- (a) repayment on the Maturity Date;
- (b) the early redemption right of Noteholders on the 5th, 6th, 7th, 8th and 9th anniversaries of the issue date; and

- (c) by way of conversion.

See Condition 2 (“Status and subordination”).

4.5 Conversion

(a) *Generally*

- (i) Some (or all) of the Convertible Notes can be converted at the election of a Noteholder at any time on and after 1 September 2014 to 5.00pm (Sydney time) on the date which is 15 business days prior to the Maturity Date – provided the Noteholder gives appropriate notice to the Company and the conversion is in respect of at least four (4) Convertible Notes (giving an aggregate face value of \$2,000,000) or all the Convertible Notes held by that Noteholder (whichever is the lesser).
- (ii) The conversion price at which a Noteholder may convert the face value of the Convertible Notes into ordinary shares is fixed at \$1.15 per share, subject to potential adjustments (“**Conversion Price**”) (more details below).
- (iii) Shares issued on conversion (including in respect of interest) rank equally with all other shares on issue from the conversion date.

See Condition 5 (“Conversion rights”).

- (b) *Adjustments to conversion price* – There are several prescribed adjustment events which effectively reduce the Conversion Price as a result of some action or decision taken by the Company. The purpose of these adjustments is to allow the Noteholder(s) a limited opportunity to participate in part of the economic benefits which may be delivered to securityholders (other than the Noteholder(s)) by the Company’s decisions regarding capital structure.
- (i) *Consolidations, reclassifications or subdivisions* – If there is a consolidation, reclassification or subdivision event in relation to AACo’s ordinary shares, the Conversion Price will be adjusted by reference to the number of ordinary shares on issue after that event, in order to maintain the original economic value of the Convertible Notes. See Condition 6.2(a).
 - (ii) *Capitalisation of profits or reserves* – If the Company issues to shareholders any ordinary shares which are credited as fully paid (by way of capitalisation of profits or reserves), the Conversion Price will be adjusted by reference to the number of ordinary shares on issue after that issue of additional shares, in order to maintain the original economic value of the Convertible Notes. See Condition 6.2(b).

Please note that this adjustment does not apply in a situation where the Company decides to issue ordinary shares as whole or part of a cash dividend which shareholders could have elected to receive, or where shareholders could have elected to receive a cash dividend instead of such ordinary shares.

- (iii) *Dividend protection* – If the Company decides to pay or make a dividend (or a series of dividends) to shareholders in any given financial year, and the aggregate amount of dividends in that period exceed a fixed “Cash Dividend Protection Amount”, then the Conversion Price will be reduced by a function of that excess amount. See Condition 6.2(c).

- (iv) *Rights issues and similar issues in respect of ordinary shares* – If the Company issues new ordinary shares to shareholders by way of rights, options, warrants or other rights at a price which is less than 95% of the current market price per ordinary share on the day prior to the relevant announcement by the Company, the Conversion Price will be reduced by a function of the number of ordinary shares which could have been purchased on the day prior to the relevant announcement of the Company, using the aggregate amount payable for the issue of new ordinary shares. See Condition 6.2(d).
- (v) *Rights issues and similar issues in respect of other securities* – If the Company issues any securities (other than ordinary shares, options, warrants or rights to subscribe for or purchase ordinary shares) to shareholders by way of rights, options, warrants or other rights to subscribe for or purchase securities, then the Conversion Price will be reduced by a function of the difference between (A) the current market price of an ordinary share on the day prior to the announcement of the issue and (B) the fair market value of an ordinary share on the day of the announcement. See Condition 6.2(e).
- (vi) *Ordinary shares issued below market value* – If (other than as mentioned in the paragraphs above) the Company issues new ordinary shares to shareholders (whether by way of rights, options, warrants or other rights) at a price which is less than 95% of the market price per ordinary share on the day prior to the relevant announcement by the Company, then an adjustment mechanism which is similar to paragraph (iv) will apply. See Condition 6.2(f).
- (vii) *Other securities issued below market value* – If (other than as mentioned in the paragraphs above) the Company issues any securities which are capable of being converted, exchanged, or redesignated as, or carry rights of subscription for, new ordinary shares for consideration which is less than 95% of the market price per ordinary share on the day prior to the relevant announcement by the Company, the Conversion Price will be reduced by a function of the number of ordinary shares which could have been purchased on the day prior to the relevant announcement of the Company, using the aggregate consideration receivable upon conversion, exchange, exercise or redesignation of the new securities into ordinary shares. See Condition 6.2(g).
- (viii) *Modification of certain rights* – If the rights of conversion, exchange, or subscription attaching to any security described in (vii) above is modified (other than in accordance with its terms) such that the consideration receivable per ordinary share is reduced and becomes less than 95% of the current market price per ordinary share on the day prior to the relevant announcement of the proposal for modification, then the Conversion Price will be reduced by a function of the number of ordinary shares which could have been purchased on the day prior to the relevant announcement of the Company, using the lower of (A) the consideration receivable per ordinary share after the modification of rights and (B) the consideration receivable per ordinary share at the existing conversion, exchange or subscription price. See Condition 6.2(h).
- (ix) *Other offers of securities* – If (other than as mentioned in the paragraphs above) the Company or any other person offers securities to AACo shareholders as a class, the Conversion Price will be reduced by a function of the difference between (A) the current market value of an ordinary share on the day prior to the announcement of such offer and (B) the fair market value of an ordinary share on the day of the announcement. See Condition 6.2(i).

See Condition 6 (“General provisions applicable to Conversion”).

4.6 Redemption

(a) *Generally*

- (i) The Company must redeem all outstanding Convertible Notes on the Maturity Date at their face value, together with any accrued interest and additional amounts.
- (ii) Any notice of early redemption (by either the Company or the Noteholder(s)) is irrevocable.
- (iii) On redemption, payment is to be in Australian dollars inclusive of any accrued interest (and additional tax amounts, if applicable).

See Condition 4 (“Redemption and purchase”).

(b) *Early redemption by the Issuer*

- (i) *Tax event* – Generally, on giving between 30 and 60 days' irrevocable notice to the Noteholder(s), AACo may (subject to certain conditions, including the subordination restrictions) redeem all (but not some) of the Convertible Notes at their face value (together with any accrued interest) if the Company determines that:
 - (A) it is exposed to a material risk of an adverse tax consequence in relation to the Convertible Notes; or
 - (B) interest payable on the Convertible Notes may not be allowed as a deduction for the purposes of Australian income tax.
- (ii) *Cleanup event* – On giving between 15 and 30 days' irrevocable notice to the registrar, the Noteholder(s) and any relevant securities exchange, the Company may (subject to certain conditions, including the subordination restrictions) redeem all (but not some) of the Convertible Notes at their face value (together with any accrued interest and additional amounts) if the aggregate outstanding principal amount of the Convertible Notes that have not been redeemed or converted, is less than 5% of the aggregate outstanding principal amount of all the Convertible Notes originally issued.

See Conditions 4.3 (“Issuer early redemption right: Tax Event”) – 4.4 (“Issuer early redemption right: Cleanup Event”).

(c) *Early redemption by the Noteholder(s)*

- (i) *Change of control event* – The Noteholder(s) may (subject to certain conditions, including the subordination restrictions) require the Company to redeem the Convertible Notes following the occurrence of a “Change of Control” event.

A “Change of Control” event occurs if any of the following occurs, or an event occurs which has the same effect as any of the following:

- (A) an offer is made to all shareholders to acquire the whole or any part of the issued ordinary share capital of the Company;
- (B) the Company implements any reorganisation of capital (including a reduction of capital) or other transaction;
- (C) any person, other than the Noteholder(s), acquires or agrees to acquire ordinary shares in the Company; or

- (D) any person proposes a scheme of arrangement for the purpose of the acquisition of the whole or any part of the issued ordinary share capital of the Company,

and such offer, scheme of arrangement, reorganisation of capital or transaction or acquisition has become or been declared unconditional in all respects and as a result a person acquires voting power of more than 50% in the Company.

In respect of any redemption as a consequence of a “Change of Control” event, the face value of a Convertible Note may be adjusted by reference to the price per ordinary share on the date of the “Change of Control” event, or the offer price per ordinary share, depending on the type of “Change of Control” event.

- (ii) *Delisting* – The Noteholder(s) may (subject to certain conditions, including the subordination restrictions) require the Company to redeem the Convertible Notes if AACo’s ordinary shares cease to be quoted on the ASX or are suspended from trading on the ASX for a period of 30 consecutive business days.
- (iii) *Annual put post-5th anniversary of issue* – The Noteholder(s) may require the Company to redeem the Convertible Notes (together with any accrued interest and additional amounts) on each of the 5th, 6th, 7th, 8th and 9th anniversaries of the issue date of the Convertible Notes.
- (iv) *Conditions of redemption by Noteholder(s)* – Any redemption of the Convertible Notes by Noteholders for a change of control event, delisting or the annual put post-5th anniversary of issue is subject to certain conditions. In these circumstances, each Noteholder may only exercise its rights:
 - (A) in respect of each Convertible Note as a whole (not partially);
 - (B) if appropriate notice is given; and
 - (C) if the Issuer has not already given the Noteholder(s) notice of its right and intention to redeem those Convertible Notes.

See Conditions 4.5 (“Holder early redemption right: change of control”) – 4.8 (“Holder early redemption right restrictions”).

4.7 Events of default

The Convertible Notes are subject to standard events of default, including but not limited to, if:

- (a) the Company fails to pay an amount of principal or interest (or additional tax amount, if applicable) under the Convertible Notes within the required time;
- (b) the Company is, or becomes, the subject of an insolvency event;
- (c) the Company fails to deliver ordinary shares to a Noteholder on conversion; or
- (d) a member of the Company’s corporate group fails to pay any financial indebtedness of AUD\$10,000,000 or more when it becomes due and payable.

If an event of default occurs, the Noteholder(s) may, among other rights and subject to the subordination restrictions, require the Company to redeem the Convertible Notes at their face value, due and payable immediately.

See Condition 7 (“Events of Default”).

4.8 Undertakings by the Company

The Company has given various undertakings which have force while any of the Convertible Notes remain on issue. Among other things, the Company must:

- (a) not modify the rights of ordinary shares;
- (b) not issue any preference shares (or shares with preferential rights over ordinary shares);
- (c) not encumber or grant any security interest over its assets, other than as permitted under its existing syndicated facilities agreement with senior creditors; and
- (d) ensure that the aggregate of the Company's senior debt, the Convertible Notes and any other debt instruments which rank equally or in priority to the Convertible Notes, do not exceed 35% of the consolidated total assets of the Company's corporate group,

except where the Company has obtained the prior consent of the Noteholder(s).

See Condition 9 ("Issuer Undertakings").

4.9 Transferability

The Convertible Notes can be transferred in whole but not in part and will not be quoted on ASX. Any transfer must comply with any applicable law or directive of the jurisdiction where the transfer takes place. The Notes have not been, and will not be, registered under the US Securities Act of 1993 (as amended), or the securities laws of any state or other jurisdiction in the United States.

See clause 6 ("Transfers") of the AACo Subordinated Notes Deed Poll and Condition 12 ("U.S. Selling Restrictions").

4.10 Voting Rights

At a meeting of Noteholders, on a show of hands each Noteholder present in person or by proxy has one vote and on a poll each Noteholder has one vote for each Convertible Note held (subject to a number of specified exceptions).

See Schedule 1 (*Meeting Provisions*) to the AACo Subordinated Notes Deed Poll.

4.11 No other rights

The Convertible Notes do not entitle any Noteholder to vote at, or receive any notices of any meeting of shareholders of the Company.

See Condition 1 ("Constitution").

5 RIGHTS AND LIABILITIES ATTACHING TO ORDINARY SHARES ISSUED ON THE CONVERSION OF THE CONVERTIBLE NOTES

This section contains a summary of the rights and liabilities as at the date of this document attaching to the ordinary shares to be issued on the conversion of the Convertible Notes. This summary does not purport to be exhaustive nor to constitute a definitive statement of the rights and liabilities of ordinary shareholders, which can involve complex questions of law arising from the interaction of the Company's constitution, ASX Listing Rules, Australian Settlement and Transfer Corporation ("**ASTC**") Settlement Rules and statutory and common law requirements.

5.1 Voting Rights

At a general meeting, subject to any rights and restrictions, on a show of hands each shareholder present in person and each person present as a proxy, attorney or (in the case of a corporation) duly appointed representative, has one vote. On a poll, each shareholder present in person or by proxy, attorney or duly appointed representative has one vote for each fully paid share held and partly paid shares confer a fraction of a vote pro-rata to the amount paid up on the shares.

5.2 Dividends

Subject to applicable laws and restrictions, the directors of the Company may determine that a dividend is payable and fix the amount, time and method of payment for a dividend. Dividends are payable on shares in proportion to the amount of the total issue price paid for the shares. Each partly paid share is entitled to a fraction of the dividend, which is equivalent to the proportion which the (a) amount paid on the share bears to (b) the total amounts paid and payable on the share, excluding amounts paid or credited in advance of a call or credited beyond the consideration received for the issue of the share.

5.3 Variation of Rights

Unless expressly provided by the terms of the pre-existing shares or required by the Corporations Act or ASX Listing Rules, the issue of further shares ranking equally with pre-existing shares will not vary or cancel any rights conferred on holders of pre-existing shares. The terms of issue of pre-existing shares may only be varied or cancelled with the sanction of a special resolution passed at a meeting of the holders of the shares in that class or with the consent in writing of the holders of at least three-quarters of the issued shares in the relevant class.

5.4 Transfer of Shares

Shares, when granted quotation on ASX, are transferable by:

- (a) any method of transfer of marketable securities which is recognised by the Corporations Act and ASX Listing Rules and is approved by the directors; or
- (b) as provided by the operating rules of a clearing and settlement facility ("**CS Facility**"), if applicable.

The directors may refuse to register any transfer of shares in the following circumstances (or request any applicable CS Facility operator to apply a holding lock to prevent transfer of shares registered on the CS Facility's sub-register):

- (a) if the registration would infringe any applicable laws or the ASX Listing Rules;
- (b) if the transfer may be in breach of any restriction agreement entered into by the Company under the ASX Listing Rules in relation to the shares; or

- (c) if permitted to do so under the ASX Listing Rules.

5.5 Issue of further shares

The issue of shares is under the control of the directors, who may (subject to the ASX Listing Rules and the Corporations Act) issue or dispose of shares to any person at any time, on any terms and conditions and having attached to them any preferred, deferred or other special rights or restrictions (including with regard to dividend, voting, return of capital or otherwise) as the directors think fit.

5.6 General meetings and notices

Each shareholder of the Company is entitled to receive notice of, and to attend all general meetings of the Company and to receive all notices required to be sent to shareholders under the Company's constitution, the Corporations Act or the ASX Listing Rules. The Company may serve a notice on a shareholder by serving it on the shareholder personally or by sending such notice by post, facsimile transmission or electronic notification addressed to the shareholder's registered address or the address supplied by the shareholder to the Company for sending notices to that shareholder.

5.7 Winding Up

Without affecting any special rights conferred on the holders of any shares, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: (a) divide amongst the shareholders in kind the whole or any part of the Company's property, as the liquidator considers to be fair; and (b) vest the whole or any part of such property on trust for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.8 Number of directors

The Company's constitution provides that the board of directors may determine the number of directors, subject to the number of directors not being less than three or more than nine (or any other number less than nine determined by the directors). The Company may, by resolution passed at a general meeting, increase or reduce the number of directors.

5.9 Amending the Company's constitution

The Corporations Act provides that the constitution of the Company may be modified or repealed and replaced by a special resolution passed by the members of the Company. The Company's constitution does not provide for any further requirements to be complied with to effect a modification of, or to repeal and replace, the constitution.

6 COMPLIANCE WITH REGULAR REPORTING AND DISCLOSURE OBLIGATIONS

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the Corporations Act concerning notification of information to the ASX. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC. Copies of announcements made to the ASX by the Company may be viewed on the ASX website.

The Company will provide a copy of any of the following documents free of charge, to any person on request:

- (a) a copy of its annual financial report most recently lodged with ASIC;

- (b) any half-year financial report lodged with ASIC after lodgement of that annual financial report and before the lodgement of this cleansing notice; and
- (c) any continuous disclosure notices given after the lodgement of the annual financial report for the three month period to 31 March 2013 and before the lodgement of this cleansing notice as set out in the table below:

15/10/2013	Becoming a substantial holder
11/10/2013	Successful Completion of Retail Offer
27/09/2013	Change in substantial holding
27/09/2013	Appendix 3Y
26/09/2013	Appendix 3B
20/09/2013	Entitlement Offer – Letter to Ineligible Shareholders
20/09/2013	Entitlement Offer – Retail Offer Booklet
18/09/2013	Ceasing to be a substantial holder
16/09/2013	Successful Completion of Institutional Offer
13/09/2013	ASX Circular Accelerated Non-Renounceable Entitlement Offer
12/09/2013	Appendix 3B
12/09/2013	Cleansing Notice
12/09/2013	Strategy Update and Capital Raising Presentation
12/09/2013	AACo Strategy Update and Capital Raising
12/09/2013	Trading Halt
09/09/2013	Ceasing to be a substantial holder
09/09/2013	Becoming a substantial holder
28/08/2013	Appendix 3Z
21/08/2013	AACo FY2013 AGM Results of Voting
21/08/2013	AACo FY2013 AGM Chairman's Address
21/08/2013	AACo FY2013 AGM Presentation
05/08/2013	Appendix 3Z
05/08/2013	AACo Response to Media Speculation
05/08/2013	Change in substantial shareholding
31/07/2013	Retirement and transition of Managing Director and CEO
30/07/2013	Change in substantial holding
19/07/2013	AACo 2013 Annual Report
19/07/2013	Notice of 2013 Annual General Meeting
12/07/2013	Change in substantial holding
02/07/2013	2013 Annual General Meeting
24/05/2013	AACo Sale of Brighton Downs Station
24/05/2013	AACo Results Presentation
24/05/2013	AACo Press Release

Any requests for copies of the above documents should be emailed to either Sue Cato at sue@catocounsel.com.au or David Symons at david@catocounsel.com.au.

7 INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

The market is fully informed of the Company's activities and the Company is not aware of any other information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Convertible Notes to be issued.



Mr Bruce Bennett
Company Secretary
For and on behalf of Australian Agricultural Company Limited (by authority of the Board)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This notice has been prepared for publication in Australia and may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities described in this notice have not been, and will not be, registered under the US Securities Act of 1933 ("US Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and other applicable US state securities laws.

FORWARD LOOKING STATEMENTS

This notice may contain forward-looking statements (including AACo's strategy and the potential control effects on the Company in relation to the AA Trust). Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward-looking statements, opinions, and estimates, provided in this notice are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of AACo, including the risks and uncertainties described in the 'Risk Factors' section of the Investor Presentation. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of AACo's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond AACo's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, AACo assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

The forward-looking statements are based on information available to AACo as at the date of this notice. Except as required by law or regulation (including the ASX Listing Rules), AACo undertakes no obligation to provide any additional, updated or supplementary information whether as a result of new information, future events or results or otherwise.

ANNEXURE A – FULL TERMS OF CONVERTIBLE NOTES

AACo Subordinated Notes Deed Poll

Dated 2013

Australian Agricultural Company Limited (ABN 15 010 892 270) ("**Issuer**")

*The Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or the securities laws of any state or other jurisdiction in the United States. The Notes may not be offered or sold, directly or indirectly, to persons in the United States absent registration or an exemption from the registration requirements of the US Securities Act and other applicable securities laws of any state or other jurisdiction of the United States. The Notes are being offered and sold solely outside the United States pursuant to Regulation S under the US Securities Act.*

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AACo Subordinated Notes Deed Poll

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AACo Subordinated Notes Deed Poll

Details

Maker of this deed	Issuer as the issuer of the Notes	
Issuer	Name	Australian Agricultural Company Limited
	ABN	15 010 892 270
	Address	1st Floor 299 Coronation Drive Milton Qld 4064
	Fax	+ 61 7 3368 4440
	Attention	Company Secretary
	In favour of	Each person who is from time to time a Holder
Recitals	A	The Issuer may issue Notes from time to time.
	B	The provisions of this deed will apply to the Notes issued on and from the date of this deed which are stated to be constituted by this deed.
	C	Notes will be constituted by, and owing under, this deed and take the form of entries in the Register.
Governing law	Queensland, Australia	
Date of deed		

AACo Subordinated Notes Deed Poll

General terms

1 Interpretation

1.1 Definitions

In this deed, unless the contrary intention appears:

Conditions means the terms and conditions as set out in schedule 2 to this deed.

1.2 Incorporation of defined terms

Subject to clause 1.5, words and expressions which are:

- (a) defined in the Conditions; or
 - (b) given a particular meaning in the Conditions,
- have the same meaning when used in this deed.

1.3 References to general terms

Unless the contrary intention appears, Condition 13.1 applies to this deed (including schedule 1 to this deed) in the same manner as it applies to the Conditions.

1.4 Headings

Headings are inserted for convenience and do not affect the interpretation of this deed.

1.5 Inconsistency

The Conditions prevail to the extent of any inconsistency with this deed.

2 Notes

2.1 Creation of Notes

- (a) The obligations of the Issuer under each Note are constituted by, and owing under, this deed.
- (b) Each Note will be issued in uncertificated registered form by entry in the Register.

2.2 Issue

- (a) Subject to the terms of this deed and the Conditions and compliance with law, the Issuer may issue Notes to any person at any time, provided that such person is outside the United States and is purchasing the Notes in an “offshore transaction” pursuant to Regulation S under the US Securities Act.

- (b) The Issuer may create and issue Notes by registering, or causing the registration of, the applicants for Notes (or their nominees) in the Register as the Holders of the relevant Notes on the Issue Date.
- (c) A Note is issued when a person is registered in the Register as the Holder of the Note.
- (d) A Note in respect of which an entry is made in the Register is (subject to rectification for fraud or manifest or proven error) taken to have been validly issued under this deed, regardless of any non-compliance by the Issuer with the provisions of this deed.

2.3 Undertaking to pay

The Issuer unconditionally and irrevocably undertakes to each Holder:

- (a) to pay, in respect of each Note held by it, the principal, interest and any other amounts payable, in accordance with the Conditions; and
- (b) to observe its obligations under, and to comply with the Conditions of, that Note.

3 Rights and obligations of Holders

3.1 Benefit and entitlement

This deed is executed as a deed poll. Each Holder has the benefit of, and is entitled to enforce, this deed even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed.

3.2 Rights independent

Each Holder may enforce its rights under this deed independently from each other Holder and any other person.

3.3 Holders bound

Each Holder, and any person claiming through or under a Holder, is bound by this deed.

Notes are issued on the condition that each Holder (and any person claiming through or under a Holder) is taken to have notice of, and is bound by, this deed, and the Conditions.

This deed must be read together with the Conditions.

3.4 Meetings Provisions

The Meetings Provisions relating to a meeting of Holders are set out in Schedule 1 to this deed.

4 Register

4.1 Register

The Issuer agrees to establish and maintain, or procure the establishment and maintenance of, a Register, of the Holders of Notes.

The Issuer must enter, or procure the entry, into the Register each Holder in respect of Notes:

- (a) the Issue Date;
- (b) the Maturity Date;
- (c) details of the principal, any interest and any other amounts payable on Notes in accordance with the applicable Conditions;
- (d) the name of the Holder or, in the case of joint Holders, the names of the first two Holders on the application or transfer for the Note;
- (e) the address of the Holder or, in the case of joint Holders, the address of the Holder whose name first appears on the application or transfer for the Note;
- (f) the number and amount of Notes held by the Holder;
- (g) if provided, the Holder's Australian tax file number or evidence of any exemption from the need to provide an Australian tax file number;
- (h) if provided, the Holder's Australian Company Number, ABN or other Australian registration number;
- (i) if provided, the account nominated by the Holder into which payments in respect of the Notes are to be credited;
- (j) any other particulars required under this deed or by law; and
- (k) any other particulars the Issuer considers necessary or desirable.

4.2 Directions to hold documents

Each Holder is taken to have irrevocably:

- (a) instructed the Issuer that an original of this deed is to be delivered to and held by the Registrar; and
- (b) appointed and authorised the Registrar to hold this deed in Brisbane.

4.3 Copies of documents to Holders

- (a) Within ten Business Days of the Issuer receiving a written request from a Holder to do so, the Issuer must provide to that Holder a certified copy of this deed.
- (b) Any Holder may, in any proceedings relating to this deed, protect and enforce its rights arising out of this deed in respect of any rights to which it is entitled upon the basis of a copy of this deed certified as being a true copy by a duly authorised officer of the Issuer (or the Registrar) without the need for production in such proceedings or in any court of the actual records of this deed. Any such certification shall be binding, except in the case of fraud or manifest or proven error, upon the Issuer and the Holder.
- (c) This clause 4.3 shall not limit any right of any Holder to the production of originals of such records or documents in evidence.

4.4 Location of Register

The Register will be kept in Queensland or another place in Australia approved by the Issuer where the work involved in maintaining the Register is done, provided that the Register must not be located in South Australia.

4.5 No liability for mistakes

The Issuer is not liable for any mistake in the Register, or in any purported copy of the Register, except to the extent that the mistake is attributable to the Issuer's own fraud, negligence, wilful default or breach of this deed.

4.6 Persons may accept correctness

In the absence of manifest or proven error, the Register is conclusive evidence of the ownership of Notes and each person dealing with the Register is entitled to accept the correctness of all information contained in the Register without investigation and is not liable to any person for any error in it.

4.7 Inspection

The Register will be available for inspection by the persons, and at the times, required by law. The Registrar must provide a certified copy of the Register within 5 Business Days of a request by a Holder.

4.8 Change in information

A Holder must advise the Issuer of any change to the information previously provided by the Holder for noting in the Register. On receipt of such advice, the Issuer must promptly update, or procure the updating of, the information contained in the Register.

The Issuer is not however obliged to update, or procure the updating of, the information contained in the Register while it is closed.

4.9 Rectification of Register

If:

- (a) an entry is omitted from the Register;
- (b) an entry is made in the Register otherwise than in accordance with this deed;
- (c) an entry wrongly exists in the Register; or
- (d) there is an error or defect in any entry in the Register,

The Issuer must rectify or procure the rectification of the same.

4.10 Appointment of registrar

The Issuer may cause the Register to be maintained by a third party on its behalf and require that person to:

- (a) discharge the Issuer's obligations under this deed poll in connection with the Register and transfers of Notes; and
- (b) assist it in the supply and delivery of the information, records and reports required by law.

The Issuer is not liable for any act or omission of any person appointed by the Issuer under this clause 4.10, provided that the Issuer will be liable if it fails to take reasonable steps to select and oversee a person competent to perform the intended functions.

The Issuer may replace any person so appointed in its sole discretion, provided that if the Issuer is actually aware that such person is not performing their duties, the Issuer shall take reasonable steps to remove that person and replace them with a person it reasonably believes is competent to perform the intended functions.

4.11 Property in Notes

The property in Notes will for all purposes be regarded as situated at the place where this deed is for the time being situated and not elsewhere.

5 Title

5.1 Title and transfer

Title to Notes passes when details of the transfer are registered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, interest and any other amount payable on the Note in accordance with the applicable Conditions; and
- (b) an entitlement to any rights and benefits given to Holders under the Conditions and this deed in respect of the Note.

5.3 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered holder of the Note subject to correction for fraud or manifest or proven error.

5.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar will treat the Holder whose name is entered in the Register as the absolute owner of the relevant Note.

This clause 5.4 applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

5.5 Joint holders

Where two persons are entered in the Register as the joint Holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship. Neither the Issuer nor the Registrar is bound to register more than two persons as joint holders of a Note.

6 Transfers

6.1 Transfers in whole

Notes may be transferred in whole but not in part.

6.2 Transfer

A Holder may, subject to this clause 6.2, transfer any Notes by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of a Note.

Notes may only be transferred if:

- (a) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

6.3 Delivery of instrument

If an instrument is used to transfer Notes according to clause 6.2, it must be delivered to the Issuer or the Registrar, together with such evidence (if any) as the Issuer or that person reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, Notes.

6.4 Obligations

The Issuer must comply with the Corporations Act and any other applicable law or obligations imposed on it in relation to the transfer of a Note.

6.5 Transferor to remain Holder until registration

A transferor of a Note remains the Holder in respect of that Note until the transfer is registered and the name of the transferee is entered in the Register as the Holder of that Note.

6.6 Effect of transfer

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under the Conditions and this deed in respect of the transferred Notes and the transferee becomes so entitled in accordance with this deed.

6.7 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Issuer considers sufficient, transfer the Note or, if so entitled, become registered as the Holder of that Note.

6.8 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of

the transferor as the Registrar thinks fit, provided the aggregate principal amount of all Notes registered as having been transferred equals the aggregate principal amount of all Notes expressed to be transferred in the transfer form.

7 Notices

7.1 To the Issuer and the Registrar

A notice or other communication in connection with a Note to the Issuer or the Registrar must be in writing and may be given by prepaid post or delivery to the address of the addressee or by facsimile to the facsimile number of the addressee:

- (a) in the case of the Issuer, to the address or facsimile number contained in the Details in respect of the Issuer; or
- (b) as otherwise notified to the Holders.

7.2 To Holders

A notice or other communication in connection with a Note to the Holder must be in writing and may be given by:

- (a) announcement to the ASX;
- (b) an advertisement published in *The Australian Financial Review* or any other newspaper or newspapers circulating in Australia generally;
- (c) prepaid post (airmail if posted to or from a place outside Australia) or delivery or by facsimile to the address or facsimile number, as the case may be, of the Holder as shown in the Register at the close of business three Business Days prior to the dispatch of the relevant notice or communication; or
- (d) email to an electronic address nominated by the Holder for such communication.

7.3 Effective on receipt

Unless a later time is specified in it, a notice or other communication takes effect from the time it is received, except that if it is received after 5.00 p.m. in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00 a.m. on the next succeeding Business Day in that place.

7.4 Proof of receipt

Subject to clause 7.3, proof of announcement to the ASX, posting of a letter, dispatch of a facsimile, publication of a notice, or of posting a notice on an electronic source is proof of receipt:

- (a) in the case of announcement to the ASX, on the date and at the time of such announcement;
- (b) in the case of a letter, on the third (seventh, if outside Australia) day after posting;
- (c) in the case of a facsimile, on receipt by the sender of a successful transmission report;

- (d) in the case of publication, on the date of such publication; and
 - (e) in the case of email:
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,
- whichever happens first.

8 Governing law, jurisdiction and service of process

8.1 Governing law

This deed is governed by the law in force in Queensland, Australia.

8.2 Jurisdiction

The Issuer irrevocably and unconditionally submits, and each Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of Queensland and courts of appeal from them. The Issuer waives any right it has to object to actions or proceedings ("**Proceedings**") being brought in those courts including, without limitation, by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

8.3 Serving documents

Without preventing any other method of service, any document in any Proceeding (including, without limitation, any writ of summons or other originating process or any third or other party notice) may be served on the Issuer by being delivered at the place set out in the Details or otherwise at the Issuer's registered office or principal place of business.

EXECUTED as a deed poll

AACo Subordinated Notes Deed Poll

Schedule 1 - Meetings Provisions

The following are the Meetings Provisions which are applicable to the convening of meetings of Holders and the passing of resolutions by them.

Interpretation

- 1 Expressions and terms having a defined meaning in the deed poll (whether by incorporation or otherwise) to which these provisions are a schedule have the same meaning when used in these provisions and the following words have these meanings in these provisions unless the contrary intention appears:

Extraordinary Resolution means:

- (a) a resolution passed at a Meeting by a majority of at least 75% of the votes cast; or
- (b) a resolution made in writing by Holders in accordance with paragraph 24(b);

Form of Proxy means a notice in writing in the usual or common form and available from the Registrar;

Meeting is deemed to include:

- (a) if there is only one Holder, the attendance of that person or its Proxy on the day and at the place and time specified in accordance with these provisions;
- (b) the presence of persons physically, by conference telephone call or by video conference; and
- (c) (other than in paragraphs 7, 8, 12 and 14) any adjourned meeting;

Notification Date means the date stated in the copies of a resolution to be made in writing sent for that purpose to Holders, which must be no later than the date on which such resolution is first notified to Holders in the manner provided in the Conditions;

Ordinary Resolution means:

- (a) a resolution passed at a Meeting by a clear majority of the votes cast; or
- (b) a resolution made in writing by Holders in accordance with paragraph 24(a);

Outstanding means, on any day, all Notes issued, less those Notes:

- (a) which have been redeemed, Converted or otherwise terminated or satisfied in full by the Issuer in accordance with the Conditions;
- (b) for the payment of which funds equal to their aggregate Face Value are on deposit with the Registrar on terms which prohibit the return of the deposit or the use of the deposit for any purpose other than the

payment of those Notes or in respect of which the Registrar holds an irrevocable direction to apply funds in repayment of Notes to be redeemed on that day; or

- (c) those which have been purchased and cancelled in accordance with the Conditions, provided that for the purposes of:
 - (A) ascertaining the right to attend and vote at any meeting of the Holders; and
 - (B) the determination of how many Notes are outstanding for the purposes of the definition of the Face Value,

those Notes which are beneficially held by, or are held on behalf of, the Issuer and not cancelled shall be deemed not to remain outstanding.

Proxy means a person so appointed pursuant to a Form of Proxy;

Special Quorum Resolution means an Extraordinary Resolution for the purpose referred to in paragraph 27(a), (b), (g), (h), (i) or (j), any amendment of this definition or the provisions of the table in paragraph 10 expressed to relate to a "Special Quorum Resolution".

- (a) If there is only one Holder of Notes that person must be treated as two persons for the purposes of any quorum requirements of a Meeting.
- (b) The time and date for determining the identity of a Holder who may be counted for the purposes of determining a quorum or attend, speak and vote at a Meeting (including any adjourned Meeting) or sign a resolution made in writing is at the close of business in the place where the Register is kept eight calendar days prior to the date of the Meeting or, for a resolution made in writing, the Notification Date.
- (c) References to persons representing a proportion of the Notes are to Holders or Proxies holding or representing at least that proportion of the Face Value of all Outstanding Notes.
- (d) In determining whether the provisions relating to quorum, meeting and voting procedures are complied with, any Notes held in the name of the Issuer or any of its controlled entities shall be disregarded.

Proxies

2 A Holder may by a Form of Proxy:

- (a) in the case of an individual, signed by that individual;
- (b) in the case of a corporation incorporated within the Commonwealth of Australia, executed under its common seal, executed in accordance with Section 127(1) of the Corporations Act or signed on its behalf by its duly appointed attorney or a person authorised under section 250D of the Corporations Act to act as the corporation's representative at the Meeting; or
- (c) in the case of a corporation incorporated outside the Commonwealth of Australia, duly executed in accordance with all applicable laws,

appoint a Proxy to attend and act on that Holder's behalf in connection with any Meeting or proposed meeting of the Holders.

- 3 Forms of Proxy are valid for so long as the Notes to which they relate are registered in the name of the appointor but not otherwise. Despite any other paragraph of these provisions and during the validity of a Form of Proxy, the Proxy is, for all purposes in connection with any Meeting of Holders, deemed to be the Holder of the Notes to which that Form of Proxy relates.
- 4 A person appointed as Proxy in any Form of Proxy:
 - (a) need not be a Holder; and
 - (b) may be an officer, employee, representative of or otherwise connected with the Issuer.
- 5 Each Form of Proxy, the power of attorney or other authority (if any) under which it is signed, or a copy of such power or authority certified in such manner as the Registrar may require, must be deposited at the office of the Registrar specified in the Form of Proxy not less than 48 hours before the time appointed for holding the Meeting to which the Form of Proxy relates, failing which the Form of Proxy may not be treated as valid unless the chairman of the Meeting decides otherwise before the Meeting or adjourned Meeting proceeds to business.
- 6 Any vote given in accordance with the terms of a Form of Proxy will be valid despite the previous revocation or amendment of the Form of Proxy or of any instructions of the Holder pursuant to which it was executed, unless notice in writing of such revocation or amendment is received by the Registrar or the Issuer at its principal office from the Holder who has executed such Form of Proxy not less than 24 hours before the commencement of the Meeting or adjourned Meeting at which the Form of Proxy is used.

Convening Meetings

- 7 A Meeting of the Holders:
 - (a) may be convened at any time by the Issuer or the Registrar at the place and time appointed by the convenor; and
 - (b) must be convened by the Registrar at a place and time appointed by it:
 - (i) if requested to do so by the Issuer; or
 - (ii) in the case of the Notes, if requested to do so by Holders of Notes representing in the aggregate at least 25% of the aggregate Face Value of the Outstanding Notes.

Notice of Meeting

- 8 Unless otherwise agreed in writing by each Holder, at least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is held) specifying the day, time and place of the Meeting must be given to the Holders and, if not given by the Registrar, copied to the Registrar or, if not given by the Issuer, copied to the Issuer. Such notice must be given in the manner provided in the deed poll to which these provisions are a schedule, must state generally the nature of the business to be transacted at the Meeting must specify the terms of the resolutions to be proposed and must include statements to the effect that Proxies may be appointed until 48 hours before the time fixed for the Meeting but not after that time. The

accidental omission to give notice to, or the non-receipt of notice by, any Holder does not invalidate the proceedings at any Meeting.

Chairman

- 9 A person (who may, but need not, be a Holder) nominated in writing by the convenor of the Meeting must take the chair at every such Meeting but if no such nomination is made or if at any Meeting the person nominated is not present within 15 minutes after the time appointed for the holding of such Meeting or is unable or unwilling to chair the Meeting the person or persons present being Holders or Proxies must choose one of their number to be chairman. The chairman of an adjourned Meeting need not be the same person as was the chairman of the Meeting from which the adjournment took place.

Quorum

- 10 At any Meeting any person or persons present being a Holder or Proxy may form a quorum only if they represent the proportion of the Face Value of the Outstanding Notes shown in the table below.

Column 1	Column 2	Column 3
Purpose of Meeting	Any Meeting except one referred to in Column 3	Meeting previously adjourned because of lack of quorum
	Required proportion	Required proportion
To pass a Special Quorum Resolution	75%	25%
To pass any other Extraordinary Resolution	50%	No minimum proportion
To pass any Ordinary Resolution	25%	No minimum proportion

- 11 No business (other than the choosing of a chairman) may be transacted at any Meeting unless the requisite quorum is present at the commencement of the relevant business.

Adjournment

- 12 If within 15 minutes from the time appointed for any Meeting a quorum is not present for the transaction of any particular business then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Meeting will, if convened on the requisition of Holders, be dissolved. In any other case it will stand adjourned until such date, being not less than 14 days nor more than 42 days (in each case exclusive of the day on which the Meeting is held and the day on which the adjourned Meeting is to be held) and to such time and place as the chairman appoints.
- 13 If within 15 minutes from the time appointed for any adjourned Meeting a quorum is not present for the transaction of any particular business then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the chairman may dissolve such Meeting.

- 14 If the meeting is not dissolved in accordance with paragraph 13, the chairman may with the consent of (and must if directed by) a majority in attendance at any Meeting adjourn the Meeting from time to time and from place to place. Only business which might validly (but for the lack of required quorum) have been transacted at the original Meeting may be transacted at such adjourned Meeting.

Notice of adjourned Meeting

- 15 Unless otherwise agreed in writing by each Holder, at least 10 days notice (exclusive of the day on which the notice is given and of the day on which the adjourned Meeting is to be held) of any Meeting adjourned because of lack of a quorum must be given in the same manner as the notice of the original Meeting and such notice must state the quorum required at such adjourned Meeting but need not contain any further information.

Attendees

- 16 The Issuer, the Registrar, and the Holders (through their respective representatives and Proxies) and their respective financial and legal advisers are entitled to attend and speak at any Meeting of Holders. Otherwise, no person may, except for the chairman, attend or speak at any Meeting of Holders.

Voting and polls

- 17 Every question submitted to a Meeting will be decided in the first instance by a show of hands and in the case of equality of votes the chairman has, both on a show of hands and on a poll, a casting vote in addition to the vote or votes (if any) to which the chairman may be entitled as a Holder.
- 18 At any Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer or by one or more persons holding or representing at least 2% of the aggregate Face Value of the Outstanding Notes, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 19 If at any Meeting a poll is so demanded, it must be taken in such manner and (subject to paragraph 20) either at once or after such an adjournment as the chairman directs. The result of such poll is deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll does not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.
- 20 Any poll demanded at any Meeting on the election of a chairman or on any question of adjournment must be taken at the Meeting without adjournment.

Voting entitlements

- 21 A Holder or, in the case of a Note registered as being held jointly, the person whose name appears first on the Register as one of the Holders of the Note is entitled to vote in respect of the Note either in person or by Proxy.
- 22 Subject to paragraphs 17 and 21, at any Meeting:
- (a) on a show of hands every person who is present and is a Holder or a Proxy has one vote; and

- (b) has one vote in respect of each amount of Face Value of the Notes which are registered in that person's name or in respect of which that person is a Proxy.
- 23 Without affecting the obligations of the Proxies named in any Form of Proxy, any person entitled to more than one vote need not use all votes (or cast all the votes) to which that person is entitled in the same way.

Passing resolutions in writing

- 24 A resolution is passed:
- (a) if it is an Ordinary Resolution, where within one month from the Notification Date, Holders representing more than 50% of the aggregate Face Value of Outstanding Notes as at the Notification Date have signed the resolution; or
 - (b) if it is an Extraordinary Resolution (including any Special Quorum Resolution), where within one month from the Notification Date stated in the copies of the resolution sent for that purpose to Holders, Holders representing at least 75% of the aggregate Face Value of Outstanding Notes as at the Notification Date have signed the resolution,

and any such resolution is deemed to have been passed on the last date stipulated by a signatory (as evidenced on its face).

- 25 The accidental omission to give a copy of the resolution to, or the non-receipt of such a copy by, any Holder does not invalidate a resolution in writing made pursuant to paragraph 24.
- 26 A resolution in writing signed by Holders may be contained in one document or in several documents in like form each signed by one or more Holders.

Use of Extraordinary Resolution

- 27 The Holders have, in addition to the powers set out above but without affecting any powers of any other person, the following powers exercisable only by Extraordinary Resolution subject to paragraph 29 and the provisions relating to quorum in paragraph 10:
- (a) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Holders against the Issuer whether such rights arise under the Notes or otherwise;
 - (b) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Issuer or any other body corporate formed or to be formed (other than where such exchange, substitution or conversion is provided for in the Conditions);
 - (c) to assent to any modification of the provisions of the deed poll to which these provisions are a schedule or the Notes approved by the Issuer;
 - (d) to waive or authorise any breach or proposed breach by the Issuer of any of its obligations under the deed poll to which these provisions are a schedule or the Notes;

- (e) to authorise any person to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- (f) to give any authority, direction or sanction which is required to be given by Extraordinary Resolution;
- (g) to appoint any persons (whether Holders or not) as a committee or committees to represent the interests of the Holders and to confer upon such committee or committees any powers or discretions which the Holders could themselves exercise by Extraordinary Resolution;
- (h) to approve any amendment of the dates of maturity or redemption of the Notes or any date on which a payment of principal or interest is due on the Notes;
- (i) to approve any reduction or cancellation of an amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment in respect of the Notes (other than where such reduction, cancellation or modification is provided for in the Conditions or where such modification is bound to result in an increase in the amount payable);
- (j) to approve the alteration of the currency in which payments in respect of the Notes are made; and
- (k) to approve the alteration of the majority required to pass an Extraordinary Resolution.

Use of Ordinary Resolution

- 28 Subject to the provisions relating to quorum in paragraph 10, the Holders have the power exercisable by Ordinary Resolution to do anything for which an Extraordinary Resolution is not required.

Effect and notice of resolution

- 29 A resolution passed at a Meeting of Holders duly convened and held (or passed by those Holders in writing pursuant to paragraph 24) in accordance with these provisions is binding on all Holders, whether present or not present and whether or not voting at the Meeting (or signing or not signing the written resolution), and each Holder is bound to give effect to it accordingly. The passing of any such resolution is conclusive evidence that the circumstances of such resolution justify its passing.
- 30 The Issuer must give notice to the Holders of the result of the voting on a resolution within 14 days of such result being known but failure to do so will not invalidate the resolution. Such notice to Holders must be given in the manner provided in the Conditions.

Minutes

- 32 Minutes of all resolutions and proceedings at every Meeting (or resolutions otherwise passed in accordance with these provisions) must be duly entered by the Registrar (failing which the Issuer) in minute books to be kept for that purpose by the Registrar (or the Issuer as the case may be) and any such minutes, if purported to be signed by the chairman of the Meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding Meeting of Holders (or, where the resolution is passed otherwise than at a Meeting, if purporting to be signed by a director or secretary of the Registrar or the Issuer as the case may be), are conclusive evidence of the matters contained in them. Until the contrary is proved, every

Meeting (and every resolution passed in writing) in respect of which minutes have been so made and signed is deemed to have been duly convened and held (or copies of the proposed written resolution duly sent) and all resolutions passed or proceedings transacted at that Meeting are deemed to have been duly passed and transacted (or, where a resolution is passed in writing, such resolution is deemed to have been duly passed).

Further procedures

- 33 The Issuer (with the approval of the Registrar) may prescribe such further regulations for the holding of, attendance and voting at Meetings as are necessary or desirable and do not adversely affect the interests of the Holders.

Schedule 2 - Conditions of AACo Subordinated Convertible Notes

1 Constitution

1.1 Deed Poll, Register and Face Value

The Notes:

- (a) are fully paid, redeemable, subordinated (during the Senior Period), unsecured, convertible and registered debt obligations of the Issuer;
- (b) rank equally among themselves and are subordinated to the claims of Senior Creditors of the Issuer;
- (c) are constituted by, owing under, and subject to the Deed Poll;
- (d) take the form of entries in the Register; and
- (e) are denominated in Australian dollars and issued with a Face Value of A\$500,000 per Note.

1.2 Register conclusive

Entries in the Register constitute conclusive evidence that the person so entered is the Holder of the relevant Notes, subject to:

- (a) rectification for fraud or manifest or proven error; and
- (b) the other provisions of these Conditions and the Deed Poll.

1.3 Transfer and title

The Deed Poll contains provisions with respect to the transfer of Notes. Title to Notes is acquired and passes when details of the acquisition or transfer are entered in the Register in accordance with the Deed Poll.

1.4 Independent obligations

The obligations of the Issuer in respect of each Note constitute separate and independent obligations which the Holder is entitled to enforce without having to join any other Holder or any predecessor in title of a Holder.

1.5 No certificates

No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to Notes unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law.

1.6 No other rights

The Notes confer no rights on a Holder:

- (a) to vote at, or receive notices of, any meeting of shareholders or members of the Issuer;

- (b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
 - (c) to otherwise participate in the profits or property of the Issuer,
- except as set out in these Conditions.

2 Status and subordination

2.1 Status

The Notes constitute direct and unsecured obligations of the Issuer which, during the Senior Period:

- (a) are subordinated to the Senior Creditors; and
- (b) rank for payment in a Winding-Up as set out in Condition 2.3(b).

2.2 Subordination

During the Senior Period but subject to Condition 2.3:

- (a) the obligations of the Issuer to make payments of interest or Additional Amounts in respect of a Note shall be conditional upon:
 - (i) no Senior Default subsisting; and
 - (ii) no Senior Default occurring as a consequence of the payment of that interest or Additional Amount,unless otherwise consented to by the Senior Creditors; and
- (b) no payment of principal shall be made in respect of a Note other than:
 - (i) on the Maturity Date of the Notes under Condition 4.2;
 - (ii) pursuant to any early redemption rights arising under Condition 4.7; or
 - (iii) by way of Conversion.

A certificate in respect of the occurrence of any of the above events signed by two authorised signatories of the Issuer or, if the Issuer is in Winding-Up, the Liquidator, shall, in the absence of fraud or manifest or proven error, be conclusive evidence of the information contained in that certificate.

For the avoidance of any doubt, and provided that a Note has not been Converted:

- (i) interest will continue to accrue on any principal not paid as a consequence of this Condition 2.2 at the Interest Rate; and
- (ii) any interest not paid as a consequence of this Condition 2.2 accumulates with compounding.

Any amount not paid as a consequence of this Condition 2.2:

(x) remains a debt owing to the Holder by the Issuer until it is paid and shall be payable on the first date on which paragraphs (a) and (b) of this Condition 2.2 would allow payment of that amount (whether or not such date is otherwise an Interest Payment Date or other date on which such amount falls due); and

(y) shall not constitute an Event of Default.

2.3 Winding-Up and ranking

In a Winding-Up:

- (a) Holders shall have no right or claim against the Issuer in respect of any principal, interest or Additional Amounts in respect of a Note to the extent that such Note has been Converted; and
- (b) during the Senior Period, the rights and claims of Holders against the Issuer to recover any principal, interest or Additional Amounts in respect of such Notes that have not been Converted:
 - (i) shall be subordinate to, and rank junior in right of payment to, the obligations of the Issuer to Senior Creditors and all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Notes;
 - (ii) shall rank equally with the obligations of the Issuer to the holders of other Notes that have not been Converted and all other unsubordinated and unsecured creditors of the Issuer; and
 - (iii) shall rank prior to, and senior in right of payment to, the obligations of the Issuer to the holders of Ordinary Shares.

During the Senior Period, Holders must not claim in the Winding-Up in competition with Senior Creditors so as to diminish any payment which, but for that claim, Senior Creditors would have been entitled to receive.

In a Winding-Up, Holders shall only be entitled to prove for any sums payable in respect of their Notes as a debt in a manner which is consistent with this Condition 2. Holders waive, to the fullest extent permitted by law, any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

2.4 No Set-Off

Neither the Issuer nor any Holder is entitled to set-off any amounts due in respect of Notes against any amount of any nature owed by the Issuer to the Holder or by the Holder to the Issuer (as applicable).

2.5 Clawback

Each Holder irrevocably acknowledges and agrees that it must pay or deliver to the Liquidator any payment or asset, whether voluntary or in any other circumstances, received by the Holder from or on account of the Issuer (including by way of credit, set-off or otherwise) or from any Liquidator (or any provisional or other liquidator, receiver, manager or statutory manager of the Issuer) in breach of either this Condition 2 or Condition 7.

2.6 Other provisions

Each Holder:

- (a) irrevocably acknowledges and agrees that this Condition 2 constitutes a debt subordination for the purposes of section 563C of the Corporations Act;
- (b) must not exercise its voting rights as an unsecured creditor in the Winding-Up of the Issuer to defeat the subordination in this Condition 2;
- (c) irrevocably acknowledges and agrees that the subordination effected by this Condition 2 is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity;
- (d) acknowledges that Notes are subject to Conversion and that the primary method of loss absorption is Conversion; and
- (e) acknowledges that consent of Senior Creditors is required to any amendment of this Condition 2 in relation to any outstanding Notes.

3 Interest

3.1 Payment of interest

Interest is payable on the Face Value of a Note from (and including) the date on which it is issued to (but excluding) its Maturity Date, or an earlier Redemption Date or Conversion Date at the Interest Rate.

The **Interest Rate** (expressed as a percentage per annum) in respect of an Interest Period is the greater of:

- (a) sum of the Margin and the Bank Bill Rate; and
- (b) 3.00% per annum.

3.2 Interest Payment Dates

Interest in respect of a Note is payable semi-annually in arrears on each of 31 March and 30 September in each year, commencing on 31 March 2014 to, and including, the Maturity Date or an earlier Redemption Date (each an **Interest Payment Date**).

3.3 Calculation of interest

The amount of interest payable on each Note on an Interest Payment Date will be calculated in accordance with the following formula:

$$\text{Interest} = \frac{\text{Face Value} \times \text{Interest Rate} \times N}{365}$$

where **N** is the number of days in the period (an **Interest Period**) from (and including) the preceding Interest Payment Date (or in the case of the first period, the date on which the Note is issued) to (but excluding) that Interest Payment Date (which, in the case of the last period, is the Maturity Date or earlier Redemption Date or Conversion Date of that Note).

3.4 Interest continues to accrue

If a payment of principal or interest in respect of a Note is improperly withheld or refused when due and payable, interest will continue to accrue on any unpaid principal (after as well as before any demand or judgment) on the amount improperly withheld or refused at the Interest Rate in the manner provided in Condition 3 and any unpaid interest not paid when due accumulates with compounding until (but excluding) the date such amount is paid.

3.5 Notification

- (a) In relation to each Interest Period, the Issuer must notify the Registrar of the Interest Rate and the amount of interest payable on each Note.
- (b) The Issuer must give notice under this Condition 3.5 as soon as practicable after it makes its calculations and, in any event, by no later than the fifth Business Day of the relevant Interest Period.
- (c) The Issuer may amend the calculation of any amount (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of an Interest Period without prior notice, but must notify the Registrar promptly after so doing.

3.6 Calculations final

The calculation by the Issuer of all rates and amounts payable by it in relation to Notes is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar and each Holder.

4 Redemption and purchase

4.1 Restrictions on redemption

Exercise of the rights under this Condition 4 (except Conditions 4.2 and 4.7) are subject to Condition 2.

4.2 Scheduled redemption

A Note must be redeemed by the Issuer on its Maturity Date at its Face Value together with accrued interest and Additional Amounts (if any) unless:

- (a) it has been previously redeemed;
- (b) it has been previously purchased by the Issuer and cancelled; or
- (c) it has been Converted.

4.3 Issuer early redemption right: Tax Event

- (a) If a Tax Event occurs, the Issuer may, subject to Conditions 2.2, 4.3(b), and 4.3(c), redeem all (but not some) of the outstanding Notes held by a Holder at the time of the Tax Event for their Face Value, together with accrued interest and Additional Amounts (if any), on an Interest Payment Date.
- (b) The Issuer may not exercise its rights in Condition 4.3(a) in respect of a Note if:

- (i) the Tax Event is an event described in paragraph (a) of that definition; and
- (ii) the adverse tax consequence would require the Issuer to make payments under Condition 10.2 in addition to those payments that would have been required prior to the Tax Event; and
- (iii) the Holder of the Note elects to waive its rights under Condition 10.2 to receive the additional amount that would have been payable as a result of the relevant Tax Event.

The Holders may make such election in writing to the Issuer and, upon such election being made, the Issuer is no longer bound to comply with its gross up obligations in Condition 10.2 to the extent that they relate to any additional payments arising from that Tax Event.

- (c) The Issuer may only exercise its rights under this Condition 4.3(a) if:
 - (i) the Issuer has given at least 30 days and no more than 60 days notice to the Registrar and the Holders. Such notice must be given in accordance with the Deed Poll; and
 - (ii) before the Issuer gives the notice under subparagraph (i), the Registrar has received:
 - (A) a certificate signed by two authorised signatories of the Issuer; and
 - (B) an opinion from a reputable law firm or other tax adviser in Australia experienced in such matters, in relation to the occurrence of such Tax Event.

4.4 Issuer early redemption right: Cleanup Event

- (a) If a Cleanup Event occurs, the Issuer may, subject to Conditions 2.2 and 4.4(b), redeem all (but not some) of the outstanding Notes held by a Holder at the time of the Cleanup Event for their Face Value together with accrued interest and Additional Amounts (if any) at any time.
- (b) The Issuer may only exercise its rights under Condition 4.4(a):
 - (i) in respect of each Note as a whole and not partially; and
 - (ii) if the Issuer has given at least 15 days and not more than 30 days notice to the Registrar and the Holders.

4.5 Holder early redemption right: change of control

If a Change of Control Event occurs:

- (a) the Issuer must give notice thereof to the Holders; and
- (b) a Holder may, subject to Conditions 2.2 and 4.8, require the Issuer to redeem some or all Notes held by that Holder at any time for the greater of their Face Value and their Adjusted Face Value together with accrued interest and Additional Amounts (if any).

For the purpose of this Condition 4.5, the “**Adjusted Face Value**” is determined by multiplying the number of Ordinary Shares the Holder would have received had it exercised its Conversion Right on the Redemption Date by the Change of Control Price.

4.6 Holder early redemption right: delisting

If a Delisting Event occurs, a Holder may, subject to Conditions 2.2 and 4.8, require the Issuer to redeem some or all Notes held by that Holder for their Face Value together with accrued interest and Additional Amounts (if any) at any time.

4.7 Holder early redemption right: annual put post 5th anniversary of Issue Date

Subject to Condition 4.8, on each of the 5th, 6th, 7th, 8th and 9th anniversaries of the Issue Date, a Holder may require the Issuer to redeem some or all Notes then held by that Holder for their Face Value together with accrued interest and Additional Amounts (if any).

4.8 Holder early redemption right restrictions

A Holder may only exercise its rights in Conditions 4.5, 4.6 and 4.7:

- (a) in respect of each Note as a whole and not partially; and
- (b) if the Holder has given:
 - (i) in the case of a redemption under Conditions 4.5 and 4.6, at least 15 days and no more than 30 days notice; and
 - (ii) in the case of a redemption under Condition 4.7, at least 90 days and no more than 120 days notice,to the Issuer and the Registrar by delivering to the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Registrar together with any evidence the Registrar may require to establish title of the Holder to the Note; and
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the Note is denominated to which the payment should be made or an address to where a cheque for payment should be sent; and
- (d) the Issuer has not (prior to the Holder giving notice of the required redemption) given notice that it will redeem that Holder's Notes under Condition 4.3 or 4.4, provided that if the Issuer has given a notice to redeem under Condition 4.3 or 4.4, no notice will be taken to have been given for the purposes of this Condition 4.8 if the Holder has made an election under Condition 4.3(b)(iii) or the Issuer is unable to redeem in accordance with the notice for any reason including the operation of Condition 2.2.

4.9 Notice irrevocable

Any notice of early redemption given under this Condition 4 is irrevocable.

5 Conversion rights

5.1 Holder Conversion Right

Subject to the provisions of this clause 5, a Conversion Right may be exercised, at the option of a Holder thereof, at any time during the Conversion Period. A Holder may exercise its Conversion Rights in respect of some or all of the Notes held by that Holder provided that each Conversion Notice must be with respect to Notes with an aggregate Face Value of Notes of not less than the lesser of A\$2,000,000 and the aggregate Face Value held by the Holder exercising the Conversion Right.

A Conversion Right may be exercised by a Holder during the Conversion Period by delivering a duly signed and completed Conversion Notice to the Issuer no later than 5 Business Days prior to the Conversion Date for that Conversion.

5.2 Effect of Notice

Any notice given under Condition 5.1 is irrevocable.

5.3 Obligations

- (a) Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws and regulations.
- (b) The Issuer must use all reasonable endeavours to facilitate Conversion.
- (c) A Holder must pay directly to the relevant taxing authorities any taxes and capital, stamp, issue and registration duties incurred by the Holder and arising on Conversion (other than any taxes or capital, stamp, issue or registration duties payable in Australia in respect of the allotment and issue of any Ordinary Shares on such exchange) and such Holder must pay all, if any, taxes and capital, stamp, issue and registration duties incurred by the Holder and arising by reference to any disposal or deemed disposal of a Note or interest therein in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Ordinary Shares on the Conversion of the Notes.

6 General provisions applicable to Conversion

6.1 Conversion

On any Conversion, subject to Conditions 6.2, the following provisions will apply.

- (a) The Issuer will allot and issue the Conversion Number of Ordinary Shares for each Note held by the Holder which is the subject of a Conversion Notice. The Conversion Number is calculated according to the following formula:

$$\text{Conversion Number for each Note the subject of a Conversion Notice} = \frac{\text{Face Value}}{\text{ConversionPrice}}$$

where:

the initial “**Conversion Price**” for a Conversion Date is \$1.15, adjusted in the circumstances set out in this Condition 6 (provided that no adjustments may be made if to do so would contravene applicable law (including the ASX Listing Rules)).

- (b) Each Holder’s rights in relation to each Note that is being Converted will be immediately and irrevocably terminated on Conversion for an amount equal to the Face Value and the Issuer will apply the Face Value of each Note by way of payment for the subscription for the Ordinary Shares to be allotted and issued under Condition 6.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this Condition 6.1 is to be applied as provided for in this Condition 6.1 and Holders do not have any right to payment in any other way.
- (c) The total number of Ordinary Shares to be allotted and issued in respect of a Holder’s aggregate holding of Notes the subject of a Conversion Notice shall be calculated by aggregating the Conversion Number for each Note Converted and if the total number includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.
- (d) Where Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Holder on the basis that a Holder’s name, address and security account details in CHESS set out in the Register (or, if not set out in the Register, otherwise held by the Registrar) are:
 - (i) the name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion; and
 - (ii) the account to which the Ordinary Shares issued on Conversion are to be credited,

unless a Holder has notified the Issuer a different name, address or account details, together with such other information as is reasonably requested by the Issuer, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date.

6.2 Adjustments to conversion price

The Conversion Price shall be subject to adjustment upon the occurrence of any of the events described in this Condition 6.2, as follows:

- (a) **(Consolidations, reclassifications or subdivisions)** If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification (where other types or classes of Securities are reclassified as Ordinary Shares) or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

(b) **(Capitalisation of profits or reserves)** If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves other than:

(i) where any such Ordinary Shares are or are to be issued instead of the whole or part of a cash Dividend which the Shareholders would or could otherwise have elected to receive or received; or

(ii) where the Shareholders may elect to receive a cash Dividend in lieu of such Ordinary Shares,

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares in issue immediately after such issue. Such adjustment shall become effective on the date of issue of such Ordinary Shares.

(c) **(Dividends)** If in any financial year:

(i) the Issuer shall pay or make any Dividend to the Shareholders; and

(ii) the aggregate of B for all Dividends in that financial year exceeds the Cash Dividend Protection Amount (as set out below) for that financial year (the “**Excess Amount**”),

then on the payment date of the Dividend which causes the Excess Amount, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Dividend by the following fraction:

$$\frac{A - C}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Dealing Day immediately preceding the date of the first public announcement by the Issuer of the relevant Dividend or, in the case of a Dividend which is a purchase of Ordinary Shares or any receipts or certificates representing shares by or on behalf of the Issuer or any Subsidiary of the Issuer, on which such Ordinary Shares are purchased; and

B is the Fair Market Value of the Dividend attributable to one Ordinary Share, determined by dividing the Fair Market Value of the aggregate relevant Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a Dividend which is a purchase of Ordinary Shares or any receipts or certificates representing shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately prior to such purchase); and

C is the Excess Amount (as defined above), but to the extent there is more than 1 adjustment under this Condition 6.2(c) in any financial year then subsequent adjustments must be done without double counting.

Cash Dividend Protection Amount for any financial year is the corresponding amount set out in the following schedule:

FY2014	Nil	FY2020	\$0.035 per share
FY2015	\$0.010 per share	FY2021	\$0.035 per share
FY2016	\$0.020 per share	FY2022	\$0.040 per share
FY2017	\$0.030 per share	FY2023	\$0.050 per share
FY2018	\$0.035 per share	FY2024	\$0.060 per share
FY2019	\$0.035 per share		

Such adjustment shall become effective on the date on which such Dividend is paid or made or, in the case of a purchase of Ordinary Shares or any receipts or certificates representing Ordinary Shares, on the date such purchase is made or, in any such case if later, the first date upon which the Fair Market Value of the Dividend is capable of being determined as provided herein.

For the purposes of the above, the Fair Market Value of a Dividend shall (subject as provided in paragraph (a) of the definition of “**Dividend**” and in the definition of “**Fair Market Value**”) be determined as at the date of the first public announcement by the Issuer of the relevant Dividend.

- (d) **(rights issues and similar issues in respect of Ordinary Shares)**
If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at a price per Ordinary Share which is less than 95% of the Current Market Price per Ordinary Share on the Dealing Day immediately preceding the date of the first public announcement by the Issuer of the terms of the issue or grant of such Ordinary Shares, options, warrants or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before such announcement;

B is the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on ASX.

- (e) **(rights issues and similar issues in respect of Securities other than Ordinary Shares)** If and whenever the Issuer shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Dealing Day immediately preceding the first date on which the terms of such issue or grant are publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on ASX.

- (f) **(Ordinary Share issues below market value)** If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6.2(d) above) any Ordinary Shares (other than Ordinary Shares issued on the exercise of Conversion Rights or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares attached to Securities the issue of which caused a previous adjustment under this Condition 6.2) or issue or grant (otherwise than as mentioned in Condition 6.2(d) above) any options,

warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Notes), in each case at a price (and/or for assets or property having a Fair Market Value) per Ordinary Share which is less than 95% of the Current Market Price per Ordinary Share on the Dealing Day immediately preceding the date of the first public announcement by the Issuer of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the date of issue of such additional Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

- (g) **(Securities issues (other than Ordinary Shares) below market value)** If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in Conditions 6.2(d), 6.2(e) and 6.2(f) above) shall issue any Securities (other than the Notes) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Ordinary Shares or shall issue or grant any options, warrants or rights to convert into, purchase or subscribe for Ordinary Shares, and the consideration (and/or the Fair Market Value of assets or property received) per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 95% of the Current Market Price per Ordinary Share on the Dealing Day immediately preceding the date of the first public announcement by the Issuer of the terms of issue of such Securities (or the terms of such grant), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and

C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such redesignation,

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Condition 6.2(g) the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this Condition 6.2(g), “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Securities or, as the case may be, the grant of such rights.

- (h) **(modification of certain rights)** If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Notes) as are mentioned in Condition 6.2(g) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95% of the Current Market Price per Ordinary Share on the Dealing Day immediately preceding the date of the first public announcement by the Issuer of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Ordinary Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange or subscription price of such Securities; and

C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this Condition 6.2(h) or Condition 6.2(g) above,

provided that if at the time of such modification (as used in this Condition 6.2(h) the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Condition 6.2(h), “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such Securities.

- (i) **(other offers of Securities)** If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6.2(b), 6.2(c), 6.2(d), 6.2(e), 6.2(f) or 6.2(g) above (or would fall to be so adjusted if the relevant issue or grant was at less than 95% of the Current Market Price per Ordinary Share on the relevant Dealing Day) or under Condition 6.2(e) above) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Ordinary Share on the Dealing Day immediately preceding the date on which the terms of such offer are first publicly announced; and

B is the Fair Market Value on the date of such announcement of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights on ASX.

6.3 Determination of consideration or price

For the purpose of any calculation of the consideration receivable or price for Ordinary Shares in Conditions 6.2(d), 6.2(f), 6.2(g) or 6.2(h) (**Relevant Provisions**), the following provisions shall apply:

- (a) the “**aggregate consideration receivable**” or “**aggregate amount payable**” in respect of Ordinary Shares will be the sum of the component amounts in the third column of the following table for each applicable circumstance in each applicable category:

Category	Circumstance	Component amounts
Issuer receives or is entitled to receive cash	<ul style="list-style-type: none">for the issue of Ordinary Shares; orfor issuing the rights, options, warrants or other Securities referred to in the Relevant Provisions (Relevant Convertible Securities); oron conversion or exercise of the Relevant Convertible Securities	The aggregate amount of all cash received or receivable, but where that cash received or receivable may vary, the minimum such amount
Issuer receives or is entitled to receive non-cash consideration	<ul style="list-style-type: none">for the issue of Ordinary Shares; orfor issuing the Relevant Convertible Securities; oron conversion or exercise of the Relevant Convertible Securities	The aggregate Fair Market Values of all the non-cash consideration received or receivable, but where that non-cash consideration received or receivable may vary, the minimum aggregate Fair Market Values of such consideration

- (b) the “**consideration per Ordinary Share**” or “**price per Ordinary Share**” shall be:
 - (i) the “**aggregate consideration receivable**” or “**aggregate amount payable**” (as applicable) in respect of Ordinary Shares as determined by paragraph (a) above,

divided by,
 - (ii) the number of Ordinary Shares to be issued upon conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or an amount determined pursuant to (a) above (or any component thereof) shall be expressed in a currency other than Australian dollars it shall be converted into Australian dollars at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate prevailing at the close of business on the date of the first public announcement by the Issuer of the terms of issue of such Securities (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available); and
- (d) in determining consideration or an amount pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or otherwise in connection therewith.

6.4 Retroactive Adjustments

If the Conversion Date in relation to a Holder shall be after the record date for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Conditions 6.2(b), 6.2(c), 6.2(d), 6.2(e) or 6.2(i), or any such issue as is mentioned in Conditions 6.2(f) or 6.2(g) which is made to the Shareholders or any of them, but before the relevant adjustment becomes effective under this Condition (such adjustment, a “**Retroactive Adjustment**”), the Issuer shall (conditional upon the relevant adjustment becoming effective) procure as soon as reasonably practicable that there shall be issued to the relevant Holder, in accordance with the instructions contained in the Conversion Notice, such additional number of Ordinary Shares (if any) (the “**Additional Shares**”) as, together with the Ordinary Shares issued or to be issued on conversion of the relevant Note (together with any fraction of an Ordinary Share not so issued), is equal to the number of Ordinary Shares which would have been required to be issued on conversion of such Note if the relevant adjustment (more particularly referred to in the said provisions of this Condition 6) to the Conversion Price had in fact been made and become effective immediately after the relevant record date.

6.5 Decision of an Independent Financial Adviser

If a dispute or disagreement arises between a Holder and the Issuer as to the appropriate adjustment to the Conversion Price, the dispute or disagreement must be resolved as follows:

- (a) the Issuer and Holders must use their reasonable endeavours to resolve the dispute through consultation between the parties;
- (b) if the Issuer and the Holders are not able to resolve the dispute or disagreement within a 20 Business Day period after commencing

consultation, either the Issuer or the Holders may request that an Independent Financial Adviser be appointed to resolve the dispute;

- (c) if the Holders and the Issuer cannot agree on the Independent Financial Adviser to be appointed within a further 20 Business Days, the parties agree that the Independent Financial Adviser will be determined by the chairman of the Australian Financial Markets Association; and
- (d) the Issuer and the Holders must procure that the Independent Financial Adviser provide a written opinion in respect of the adjustment to the Conversion Price, which shall be conclusive and binding on all Holders and the Issuer, save in the case of manifest or proven error.

6.6 Rounding down and carry forward

On any adjustment, the resultant Conversion Price, if not an integral multiple of A\$0.01, shall be rounded down to the nearest whole multiple of A\$0.0001. Any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that no rounding down of the Conversion Price had previously occurred.

6.7 Notice of adjustment to the Conversion Price

Notice of any adjustments to the Conversion Price shall be given to any Holder in accordance with Condition 11.3 immediately after the determination thereof.

6.8 Status and listing of Ordinary Shares

- (a) The Issuer must ensure that Ordinary Shares issued or arising from Conversion rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Conversion do not take effect until 5.00pm (Sydney time) on the Conversion Date.
- (b) The Issuer must use all reasonable endeavours to list the Ordinary Shares issued on Conversion of Notes on ASX.

6.9 Conversion if amounts not paid

For the avoidance of doubt, Conversion may occur even if an amount is not paid or payable to a Holder as a consequence of Condition 2.2.

7 Events of Default

7.1 Events of Default

An Event of Default occurs in relation to a Note if:

- (a) **(failure to pay)** the Issuer fails to pay:
 - (i) any amount of principal in respect of a Note within seven Business Days of the Maturity Date or any Redemption Date; or

- (ii) any amount of interest or any Additional Amount in respect of a Note within 14 Business Days of the due date for payment of that amount,

unless the failure is the result of the operation of Condition 2; or

- (b) **(insolvency events)** any of the following occurs:
 - (i) a Winding-Up occurs; or
 - (ii) the Issuer ceases (or threatens to cease) to carry on all or substantially all of its business other than under or in connection with a Solvent Reconstruction; or
 - (iii) an encumbrancer takes possession of, or a receiver is appointed to, the whole or any substantial part of the assets or undertaking of the Issuer, or an administrator, liquidator, receiver, receiver and manager, or other controller (as defined in the Corporations Act) is appointed to the Issuer, or a distress or execution is levied or enforced upon, or sued out against any substantial part of the assets or undertakings of the Issuer, and is not removed, paid out or otherwise discharged within 30 days unless the same is being contested in good faith; or
 - (iv) the Issuer is not Solvent; or
- (c) **(failure to convert)** there is any failure to deliver to a Holder Ordinary Shares as and when Ordinary Shares are required to be delivered in accordance with these Conditions and such failure is not remedied within 5 Business Days; or
- (d) **(undertaking breach)** the Issuer does not comply with any other material undertaking, obligation, condition or deed expressed in any Transaction Document and, if capable of remedy, the Issuer does not remedy the non-compliance within 30 Business Days after a Holder gives the Issuer a notice specifying the non-compliance and requiring its remedy; or
- (e) **(cross default)** any Finance Debt of any member of the Group is not paid when due nor within any originally applicable grace period provided that there will be no Event of Default under this Condition if the aggregate amount for the Group of such Finance Debt is less than A\$10,000,000.

7.2 Default Interest

- (a) If any payment under a Note is not paid or satisfied on the date when due and payable in accordance with these Conditions, interest accrues daily on such unpaid amount which is due and payable by the Issuer (including on unpaid interest):
 - (i) from and including the due date, up to but excluding the date of actual payment; and
 - (ii) at the rate equal to the sum of 2% per annum plus the rate applicable to the overdue amount immediately before the due date.
- (b) The Issuer must pay accrued interest under this Condition 7.2 on the last Business Day of each calendar month.

7.3 Consequences of an Event of Default during the Senior Period

During the Senior Period, in the event of:

- (a) an occurrence of an Event of Default set out at Conditions 7.1(a) or 7.1(c), the Holder of any Note may, subject to Condition 2, bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on that Note;
 - (ii) to obtain an order for specific performance of any other obligation in respect of that Note; or
 - (iii) for a Winding-Up of the Issuer; and
- (b) an occurrence of an Event of Default set out at Condition 7.1(b) above:
 - (i) the Notes will, subject to paragraph (ii), without further action, become due and payable and a Holder of any Note may subject to Condition 2 institute proceedings for a Winding-Up or prove or claim in any Winding-Up; and
 - (ii) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than, subject to Condition 2, the institution of proceedings for the Winding-Up or to prove or claim in any Winding-Up, shall be available to Holders for the recovery of amounts owing in respect of Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under these Conditions; and
- (c) an occurrence of an Event of Default set out at Conditions 7.1(d) or 7.1(e), the Holder of any Note may, subject to Condition 2, bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on that Note; or
 - (ii) to obtain an order for specific performance of any other obligation in respect of that Note or the relevant Transaction Document; or
 - (iii) where 12 months has elapsed since the date of the occurrence of the relevant Event of Default and it has not been waived by the Holders or remedied by the Issuer, for a Winding-Up of the Issuer.

7.4 Consequences of an Event of Default following the Senior Period

Subject to Condition 7.5, if any Event of Default occurs and continues unremedied in relation to the Notes following the expiry of the Senior Period, then a Holder may declare by notice to the Issuer (with a copy to the Registrar) that each Note held by it is to be redeemed at its Face Value (together with any accrued interest and any Additional Amounts) by delivering to the Issuer a redemption notice, in which case those amounts become immediately due and payable.

7.5 Rectification

A Holder's right to declare a Note held by it due and payable terminates if the Event of Default giving rise to such right has been cured before such right is exercised.

7.6 Notification

If an Event of Default occurs and is continuing, the Issuer must promptly, after becoming aware of it, notify the Registrar, Holders and ASX of the occurrence of the Event of Default and specify details of it.

8 Payments

8.1 General

All payments in respect of Notes:

- (a) must be made:
 - (i) in Australian dollars; and
 - (ii) free of any set off, deduction or counter claim except as required by law;
- (b) are subject to applicable fiscal and other laws and the administrative practices and procedures of fiscal and other authorities;
- (c) will be made in accordance with:
 - (i) the particulars recorded in the Register on the relevant Record Date; and
 - (ii) these Conditions.

If the date scheduled for any payment under these Conditions is not a Business Day, then the payment will be made on the next Business Day (and without any additional interest or other payment in respect of such delay).

All calculations of payments will be rounded to four decimal places. For the purposes of making any payment in respect of a Holder's aggregate holding of Notes, any fraction of a cent will be disregarded.

8.2 Payments to Holders

- (a) Each payment in respect of a Note will be made to the person that is recorded in the Register as the Holder of that Note on the Record Date for that payment.
- (b) A payment to any one joint Holder of a Note will discharge the Issuer's liability in respect of the payment.

8.3 Method of payments

- (a) The Issuer may, in its absolute discretion, pay to a Holder or any other person entitled to any amount payable in respect of a Note:
 - (i) by crediting an account nominated in writing by that Holder or person;

- (ii) by cheque made payable to the Holder or person, sent to the address of that Holder or person as notified to the Issuer by that Holder or person; or
 - (iii) in any other manner as the Issuer determines (provided that payments must always be paid in cash).
- (b) The Issuer may send a cheque referred to in Condition 8.3(a)(ii), if relevant, to:
 - (i) the address in the Register of the Holder;
 - (ii) if that Note is jointly held, the address in the Register of the Holder named first in the register in respect of the Note; or
 - (iii) any other address which that person directs in writing.
- (c) If the Issuer decides to make a payment by electronic or other means determined under Condition 8.3(a) and an account is not nominated by the Holder or joint Holder, the Issuer may hold the amount payable in a separate account of the Issuer until the Holder or joint Holder (as the case may be) nominates an account, without any obligation to pay interest, and the amount so held is to be treated as having been paid to the Holder or joint Holder at the time it is credited to that separate account of the Issuer.
- (d) All amounts payable but unclaimed may be invested by the Issuer as it thinks fit for the benefit of the Issuer until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.
- (e) The Issuer (or any person through whom payments are made), in its absolute discretion, may withhold payment to a Holder where it is required to do so under any applicable fiscal or other law or any administrative practice or procedure of any fiscal or other authority (including any law prohibiting dealings with terrorist organisations or money laundering, or any other type of sanction and any withholding or deduction arising under or in connection with FATCA), or where it has reasonable grounds to suspect that the Holder may be subject to any such law, administrative practice or procedure or sanction or involved in acts of terrorism or money laundering, and may deal with such payment and the Holder's Note in accordance with such applicable law, administrative practice or procedure or the requirements of any relevant government or regulatory authority.
- (f) The Issuer shall not be liable for any costs or loss suffered by a Holder in exercising its discretion under Condition 8.3(e), even where a Holder later demonstrates that they were not subject to such law, administrative practice or procedure or sanction.

9 Issuer Undertakings

9.1 Negative Undertakings

While any Note remains on issue, the Issuer agrees (other than with the prior consent of all of the Holders):

- (a) not to modify the rights attaching to the Ordinary Shares;

- (b) not to issue any preference shares or shares that have any preferential rights to those of the holders of the Ordinary Shares;
- (c) not to encumber its assets other than as permitted under the Senior Credit Agreement.

9.2 Affirmative undertakings

While any Note remains on issue, the Issuer must (other than with the prior consent of the Holders):

- (a) promptly notify the Holders of any Tax Event, Cleanup Event, Event of Default, Delisting Event or Change of Control or adjustment of the Conversion Price occurring; and
- (b) maintain, and procure that the Issuer maintains all authorisations necessary to be maintained by it to ensure the legality and enforceability of the Notes and the Holders' rights under the Notes; and
- (c) ensure that the aggregate of the total principal amount outstanding under the Senior Creditor Agreement, the Notes (excluding any Notes that have been redeemed or Converted) and any other debt instruments issued by the Group which rank equally with or in priority to the Notes does not exceed 35% of the consolidated total assets of the Group.

10 Taxation

10.1 Taxation

All payments in respect of Notes will be made without set-off or counterclaim and free and clear of, and without deduction of or withholding on account of any Taxes in Australia unless such withholding or deduction is required by law. The Issuer shall withhold or deduct any such amount required by law from the relevant payment in respect of the Notes.

10.2 Additional Amounts

Subject to any election made by a Holder under Condition 4.3(b), if a deduction or withholding is made under Condition 10.1 the Issuer will pay such additional amounts (**Additional Amounts**) as may be necessary in order that the net amount received by the Holders after such withholding or deduction equals the amount which would otherwise have been receivable in respect of Notes in the absence of such withholding or deduction, except that no Additional Amounts are payable to any Holder who is liable for any Taxes in respect of Notes by reason of the Holder or any other person:

- (a) having some connection with the Commonwealth of Australia or any of its States or Territories other than the mere holding of Notes or the receipt of any payment in respect of Notes;
- (b) failing to comply with any statutory requirements or make a declaration of non-residence or similar cause for an exemption to any Tax Authority;
- (c) not validly quoting an appropriate Australian tax file number or ABN or not supplying details of an applicable exemption from these requirements not less than five Business Days prior to the due date for payment;

- (d) being party to or participating in a scheme to avoid Taxes; or
- (e) being issued any Ordinary Shares upon Conversion.

10.3 FATCA

Notwithstanding Conditions 10.1 and 10.2, if the Issuer or any other person is required to withhold amounts under or in connection with or in order to ensure compliance with any law relating to FATCA from any payments made with respect to Notes or with respect to the issuance of any Ordinary Shares upon any Conversion, Holders and beneficial owners of Notes, and holders of Ordinary Shares issued upon any Conversion, will not be entitled to receive any gross up or other amount to compensate them for such withholding.

11 General

11.1 Amendment: general provisions

No amendment to these Conditions is permitted without the prior written consent of all the Holders given in accordance with the Deed Poll.

11.2 Meetings

The Deed Poll contains provisions for convening meetings of the Holders. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the amendment of the terms of Notes and the granting of approvals, consents and waivers.

11.3 Notices

The Deed Poll contains provisions for the giving of notices.

11.4 Governing law

Notes are governed by the laws in force in Queensland.

12 U.S. Selling Restrictions

Each Holder to whom a Note is issued will be deemed to acknowledge, represent and warrant, on its own behalf and on behalf of each person on whose account it is acting, that:

- (a) it is not in the United States and it is purchasing the Notes in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act;
- (b) it has not purchased the Notes as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S under the US Securities Act); and
- (c) it understands and acknowledges that the Notes have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States and therefore, the Notes cannot be offered, resold, transferred or otherwise disposed of, except outside the United States pursuant to Regulation S under the US Securities Act.

13 Interpretation and definitions

13.1 Interpretation

In these Conditions, except where the context otherwise requires:

- (a) a law includes:
 - (i) common law, principles of equity, any decree and any statute or other law made by any parliament (and a statute or other law made by a parliament includes any regulation or other instrument under it, and any consolidation, amendment, re-enactment or replacement of it); and
 - (ii) a treaty, official directive, request, regulation, guideline or policy (whether or not in any such case having the force of law) with which responsible participants in the relevant market generally comply;
- (b) the singular includes the plural and vice versa;
- (c) a person includes:
 - (i) a firm, body corporate, an unincorporated association or an authority; and
 - (ii) a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (d) a reference to any thing (including, without limitation, any amount) is a reference to the whole and each part of it;
- (e) an agreement, representation or warranty in favour of two or more persons is for the benefit of each of them jointly and each of them individually;
- (f) a reference to a group of persons is a reference to all of them collectively and to each of them individually;
- (g) the words including, for example or such as when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (h) another grammatical form of a defined word or expression has a corresponding meaning;
- (i) a time of day is a reference to Sydney time;
- (j) a reference to a document includes:
 - (i) all schedules or annexes to it, and
 - (ii) the document as novated, altered, supplemented or replaced from time to time;
- (k) a reference to Australian dollars and A\$ is a reference to the lawful currency of Australia;

- (l) a reference to the Corporations Act is a reference to the Corporations Act 2001 of Australia and any consolidation, amendment, re-enactment or replacement of it;
- (m) a reference to the Banking Act is a reference to the Banking Act 1959 of Australia and any consolidation, amendment, re-enactment or replacement of it;
- (n) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia ("**Australian GAAP**"). If there is any change in the application or interpretation of Australian GAAP after the Issue Date which the Issuer determines in good faith will affect the calculation of any financial covenants such that any such covenants are more restrictive or less restrictive to the Issuer, then the Issuer, in consultation with its auditors, shall calculate such financial covenants on the basis of Australian GAAP prior to the change;
- (o) headings are inserted for convenience and do not affect the interpretation of these Conditions; and
- (p) a reference to an event occurring "after" the elapse of a period of time means the relevant period not including the day on which the relevant event which triggered the commencement of the period of time occurred.

13.2 Definitions

In these Conditions, these meanings apply unless the contrary intention appears:

ABN has the meaning given by section 41 of the *A New Tax System (Australian Business Number) Act 1999* (Cth).

Additional Amount has the meaning specified in Condition 10.2.

Administrative Action means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application or a regulatory procedure or policy and any notice or announcement (including any notice or announcement of intent to adopt or make any of those things).

Assets means, in respect of the Issuer, its total non-consolidated gross assets as shown by its latest published audited accounts, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors or, as the case may be, the Liquidator may determine to be appropriate.

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX from time to time with any modifications or waivers in their application to the Issuer, which ASX may grant.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modifications or waivers granted by ASX.

Bank Bill Rate (expressed as a percentage per annum) is, in respect of an Interest Period, the average mid-rate for bills of a term of 6 months, which average rate is displayed on Reuters page BBSW (or any page that replaces that page) at or about 10.30am on the first Business Day of that Interest Period, or if there is a manifest error in the calculation of that average rate or that average rate is not displayed at 10.30am on that date, the rate specified in good faith by the Issuer at or around that time on that date having regard, to the extent possible, to:

- (a) the rates otherwise bid and offered for bills of the specified term or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; and
- (b) if bid and offer rates for bills of the specified term are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.

Business Day means a day which is a business day within the meaning of the ASX Listing Rules.

A **Change of Control Event** occurs if any of the following occurs, or an event occurs which has the same effect as any of the following:

- (a) an offer is made to all shareholders to acquire the whole or any part of the issued ordinary share capital of the Issuer; or
- (b) the Issuer implements any reorganisation of capital (including a reduction of capital) or other transaction; or
- (c) any person, other than the Holder, acquires or agrees to acquire Ordinary Shares; or
- (d) any person proposes a scheme of arrangement for the purpose of the acquisition of the whole or any part of the issued ordinary share capital of the Issuer,

and such offer, scheme of arrangement, reorganisation of capital or transaction or acquisition has become or been declared unconditional in all respects and as a result a person acquires Voting Power of more than 50% in the Issuer.

Change of Control Price means:

- (a) in the case of (a) or (b) under the definition of a Change of Control Event, the offer price per Ordinary Share made in connection with the relevant Change of Control Event, and
- (b) in the case of (c) or (d) under the definition of a Change of Control Event, the fair market value of an Ordinary Share on the date of the Change of Control Event. As long as the Company is listed on the ASX, the fair market value of an Ordinary Share shall mean the price for the Ordinary Share as provided by the ASX as at close of trading on the date of the Change of Control Event or, if that date is a Non-trading Day, the most recent Dealing Day.

Cleanup Event means any time at which the aggregate outstanding principal amount of the Notes that have not been redeemed or Converted is less than 5% of the aggregate outstanding principal amount of all the Notes originally issued.

Conversion means the conversion of all or some Notes into Ordinary Shares of the Issuer in accordance with these Conditions. **Convert** and **Converted** shall have corresponding meanings.

Conversion Date means in respect of the exercise of a Conversion Right and a Note, the date specified in the Holder Conversion Notice which may be no earlier than 5 Business Days after the date the Registrar receives the relevant Holder Conversion Notice provided that, if such date is a Non-trading Day, then the date will be the next following Business Day that is not a Non-trading Day.

Conversion Notice means a notice given under Condition 5, specifying the number of Notes in respect of which Conversion Rights are being exercised pursuant to that notice.

Conversion Number has the meaning given to it in Condition 6.1(a).

Conversion Period means any time on and after 1 September 2014 to 5pm (Sydney time) 15 Business Days prior to the Maturity Date.

Conversion Price has the meaning given in Condition 6.1(a).

Conversion Right means the right of a Holder to require the Issuer to issue Ordinary Shares in exchange for the Notes in accordance with these Conditions.

Current Market Price means, in respect of an Ordinary Share at a particular date, the arithmetic average of the Volume Weighted Average Price of an Ordinary Share for each of the ten consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that if at any time during the said ten-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:

- (a) if the Ordinary Shares to be issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement by the Issuer of such Dividend (or entitlement) (excluding, in any case, any associated tax credit); or
- (b) if the Ordinary Shares to be issued do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said ten Dealing Days, then the arithmetic average of such Volume Weighted Average Prices which are available in that ten-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

Dealing Day means a day on which ASX or relevant stock exchange or securities market is open for business, other than a day on which ASX or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time.

Deed Poll means the deed poll entitled “AACo Subordinated Notes Deed Poll” executed by the Issuer.

Delisting Event means any event where the Ordinary Shares:

- (a) cease to be quoted on the ASX; or
- (b) are suspended from trading on ASX for a period of 30 consecutive “Business Days” (as that term is defined in the ASX Listing Rules).

Dividend means any dividend or distribution whether or not described as a return or reduction of capital or otherwise and whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a cash Dividend is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of a cash Dividend, then for the purposes of this definition the Dividend in question shall be treated as a Dividend of the greater of:
 - (i) such cash Dividend; and
 - (ii) the Fair Market Value (on the date of the first public announcement by the Issuer) of such Dividend or capitalisation (as the case may be) or, if later, the date on which the number of Ordinary Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined) of such Ordinary Shares or other property or assets;
- (b) any issue of Ordinary Shares falling within Condition 6.2(b) shall be disregarded;
- (c) a purchase or redemption or buy back or cancellation of share capital (“**Relevant Purchase**”) of the Issuer by the Issuer or any Subsidiary of the Issuer shall not constitute a Dividend unless, the weighted average price per Ordinary Share (plus expenses) on any one day (a “**Specified Share Day**”) in respect of such Relevant Purchases (converted, if not in Australian dollars, into Australian dollars at the spot rate prevailing at the close of business on such day as determined in good faith by an Independent Financial Adviser (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available) exceeds the arithmetic average of the closing prices of the Ordinary Shares on ASX (as published by or derived from ASX) on the five Dealing Days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such Relevant Purchases approved by a general meeting of Shareholders of the Issuer or any notice convening such a meeting of Shareholders) has been made of

the intention to conduct a Relevant Purchase of Ordinary Shares at some future date at a specified price, on the five Dealing Days immediately preceding the date of such announcement, in which case such Relevant Purchase shall be deemed to constitute a Dividend in Australian dollars to the extent that the aggregate price paid (plus expenses) in respect of such Ordinary Shares the subject of the Relevant Purchase (converted, where appropriate, into Australian dollars as provided above) exceeds the product of:

- (i) 100 per cent. of the arithmetic average closing price of the Ordinary Shares determined as aforesaid; and
 - (ii) the number of Ordinary Shares subject to a Relevant Purchase; and
- (d) if the Issuer or any of its Subsidiaries shall purchase any receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

Event of Default has the meaning given in Condition 7.1.

Face Value means the principal amount of a Note.

Fair Market Value means, with respect to any property or consideration on any date, the fair market value of that property or consideration as determined in good faith by an Independent Financial Adviser provided, that:

- (a) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend;
- (b) the Fair Market Value of any other cash amount shall be the amount of such cash;
- (c) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Dealing Days on the relevant market commencing on such date (or, if later, the first such Dealing Day such options, warrants or other rights are publicly traded); and
- (d) in the case of (a) converted into Australian dollars (if declared or paid in a currency other than Australian dollars) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the cash Dividend in Australian dollars; and in any other case, converted into Australian dollars (if expressed in a currency other than Australian dollars) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate prevailing at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

FATCA means sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements (including, without limitation,

Intergovernmental Agreements) entered into or non-US laws enacted, with respect thereto).

Finance Debt means any present or future actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation.

Foreign Holder means a Holder whose address in the Register is a place outside Australia or who the Issuer otherwise believes may not be a resident of Australia and the Issuer is not satisfied that the laws of the Holder's country of residence would permit the offer to, or the holding or acquisition of Ordinary Shares by, the Holder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous.

Group means the Issuer and each of its Subsidiaries.

Holder means, in respect of a Note, the person whose name is for the time being entered in the Register as the owner of it or, where it is held jointly by two or more persons, the persons whose names appear in the Register as the joint owners of the Note.

Independent Financial Adviser means an investment bank of international repute mutually appointed by the Holders and the Issuer (or, failing agreement, in accordance with Condition 6.5(c)) and at the equally shared cost of the Issuer and the Holders unless expressly provided otherwise in these Conditions.

Interest Payment Date means each date specified in Condition 3.2.

Interest Period has the meaning specified in Condition 3.3.

Interest Rate means the rate set out in Condition 3.1.

Issue Date means the date on which the Notes are issued, which is expected to be on or about 15 October 2013.

Issuer means Australian Agricultural Company Limited (ABN 15 010 892 270)

Liabilities means, in respect of the Issuer, its total non-consolidated gross liabilities as shown by its latest published audited accounts, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors or, as the case may be, the Liquidator may determine to be appropriate.

Liquidator means the liquidator or other official responsible for the conduct and administration of a Winding-Up.

Margin means 0.15% per annum.

Maturity Date means 30 September 2023.

Non-trading Day means a Business Day on which trading on the ASX in the Ordinary Shares was suspended on such day or a trading halt has occurred for any period during such day or trading on the ASX in those Ordinary Shares could not, or can not, for any reason whatsoever, take place such that the Issuer is unable, in the reasonable opinion of an authorised officer of the Issuer, to fulfil its obligations under Condition 5 ("Conversion Rights").

Note means an unsecured and subordinated debt obligation of the Issuer, constituted by the Deed Poll and designated and evidenced in the manner set out in Condition 1.1.

Ordinary Share means a fully paid ordinary share in the capital of the Issuer.

Record Date means, in the case of:

- (a) payments of interest, the date which is eight calendar days before the relevant Interest Payment Date or, if that date does not fall on a Business Day, the immediately preceding Business Day (or such other date as may be prescribed under the ASX Listing Rules or, if not prescribed by the ASX Listing Rules, a date determined by the Issuer and notified to ASX); and
- (b) payments of principal, a date determined by the Issuer and notified to ASX (or such other date as may be prescribed by ASX).

Redemption Date means the date, other than the Maturity Date, on which Notes are to be redeemed in accordance with these Conditions.

Register means the register of Holders established and maintained by, or on behalf of, the Issuer in which is entered the names and addresses of Holders, the amount of Notes held by each Holder, details of the transfer of those Notes and any other particulars which the Issuer sees fit.

Registrar means, at the date of the Deed Poll, the Issuer until such time as another person is appointed to maintain the register and perform any other duties as may be agreed.

Relevant Convertible Securities has the meaning given in Condition 6.3(a).

Relevant Provisions has the meaning given in Condition 6.3.

Relevant Purchase has the meaning given in the definition of Dividend.

Securities means any financial products including, without limitation, Ordinary Shares or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

Senior Creditors means the "Finance Parties" (however defined) under the Senior Creditor Agreement, but only as it relates to their rights under the Senior Creditor Agreement.

Senior Creditor Agreement means the agreement entitled "A\$ syndicated facilities agreement" between, amongst others, the Issuer and National Australia Bank (in a number of capacities including as agent) (as amended from time to time) and any senior bank debt facility which refinances it (in whole or in part) provided it is supported by the same (or an equivalent or lesser) security package.

Senior Debt means all money which:

at any time;

for any reason or circumstance in connection with the Senior Creditor Agreement (including transactions in connection with it);

whether under law or otherwise (including liquidated or unliquidated damages for default or breach of any obligation); and

whether or not of a type within the contemplation of the parties at the date of this document:

- (a) the Issuer is or may become actually or contingently liable to pay to the Senior Creditor; or
- (b) the Senior Creditor has advanced or paid on the Issuer's behalf or at the Issuer's express or implied request; or
- (c) the Senior Creditor is liable to pay by reason of any act or omission on the Issuer's part or that the Senior Creditor has paid or advanced following an act or omission on the Issuer's part; or
- (d) the Issuer would have been liable to pay to the Senior Creditor but the amount remains unpaid by reason of the Issuer's Insolvency.

This definition applies:

- (i) irrespective of the capacity in which the Issuer or the Senior Creditor became entitled to, or liable in respect of, the amount concerned;
- (ii) whether the Issuer or the Senior Creditor are liable as principal debtor, or surety or otherwise;
- (iii) whether the Issuer is liable alone, or together with another person;
- (iv) even if the Issuer owes an amount or obligation to the Senior Creditor because it was assigned to the Senior Creditor, whether or not:
 - (A) the assignment was before, at the same time as, or after the date of this document; or
 - (B) the Issuer consented to or was aware of the assignment; or
 - (C) the assigned obligation was secured before the assignment;
- (v) even if the Senior Debt was assigned to the Senior Creditor, whether or not:
 - (A) the Issuer or a Holder consented to or was aware of the assignment; or
 - (B) any of the Senior Debt was previously unsecured.

Senior Default means an event or circumstance described as an “event of default” in the Senior Creditor Agreement (other than an event of default that is a “review event” or “potential event of default”, in each case howsoever described) and which is the subject of a formal notice of default issued in accordance with the terms of that agreement. A Senior Default will be taken to subsist until such time as it is cured or waived in accordance with the terms of the Senior Creditor Agreement.

Senior Period means the period commencing on the Issue Date and expiring on the date the Senior Debt is fully and finally repaid.

Shareholders means the holders of Ordinary Shares.

Solvent means that each of the following is satisfied:

- (a) the Issuer is able to pay its debts as they fall due; and
- (b) the Assets exceed the Liabilities.

Solvent Reconstruction means a scheme of amalgamation or reconstruction, not involving a bankruptcy or insolvency, where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented.

State means a state of Australia, being one of New South Wales, Tasmania, South Australia, Queensland, Victoria or Western Australia.

Subsidiary of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or
- (b) is part of the consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares, or would be if the first entity was required to prepare consolidated financial statements.

Tax Authority means any government, semi-government, administrative, municipal, statutory, fiscal or judicial body, department, commission, authority, tribunal, agency, entity or person responsible for the collection of any Tax or administration of any Tax Legislation.

Tax Event means:

- (a) the Issuer determines that as a result of:
 - (i) any amendment to, clarification of, or change (including any announcement of a prospective change) in, the Tax Legislation; or
 - (ii) any Administrative Action under or in connection with the Tax Legislation or any amendment to, clarification of, or change in any such Administrative Action,

in each case by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is announced) after the Issue Date, there is a material risk that the

Issuer would be exposed to a more than de minimis adverse tax consequence in relation to the Notes; or

- (b) the Issuer determines that any interest payable on Notes is not, or may not be, allowed as a deduction for the purposes of Australian income tax,

in each case, being a circumstance, change or event which the Issuer did not expect as at the Issue Date.

Tax Legislation means:

- (a) the Income Tax Assessment Act 1936 of Australia, the Income Tax Assessment Act 1997 of Australia or the Taxation Administration Act 1953 of Australia (and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment 1997);
- (b) any other law setting the rate of income tax payable; and
- (c) any regulation made under such laws.

Tax and **Taxes** includes income tax, capital gains tax, withholding tax, fringe benefits tax, pay-as-you-go, payroll tax, land tax, stamp duty, financial institutions duty, debits tax, purchase, goods and services tax, value added tax, prescribed payments and all other taxes, charges, assessments, contributions, withholdings, remittances, imposts, duties, excises, rates and levies in any part of the world and any penalties, interest, fines or other costs in relation to any Tax.

Territory means either of the Australian Capital Territory or the Northern Territory.

Transaction Documents means each of this deed and the agreement entitled "AACo Note Subscription Agreement" between the Issuer and the initial Holder and dated on or about the date of the Note Deed Poll.

US Securities Act means the U.S. Securities Act of 1933.

Volume Weighted Average Price means, in respect of an Ordinary Share, the volume-weighted average price of an Ordinary Share published by or derived (in the case of an Ordinary Share) from ASX, provided that on any such Dealing Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined.

Voting Power has the meaning given in the Corporations Act.

Winding-Up means:

- (a) a court order is made for the winding-up of the Issuer; or
- (b) an effective resolution is passed by shareholders or members for the winding-up of the Issuer,

other than in connection with a Solvent Reconstruction.

AACo Subordinated Notes Deed Poll

Signing page

DATED:

EXECUTED by AUSTRALIAN)
AGRICULTURAL COMPANY LIMITED)
in accordance with section 127(1) of)
the Corporations Act 2001 (Cwlth) by)
authority of its directors:)

.....)
Signature of director)

Name of director (block letters))

Signature of director/company
secretary

Name of director/company secretary
(block letters)